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CATECHETICAL GUIDE

TO

CIVIL ACCOUNT CODE.

Vol. I.

NEW EDITION.

Madras:

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P R E F A C E .



THIS work contains questions set on the Civil Account Code, Vol. I, at the various Government Examinations in India and original questions not covered by the foregoing, with precise,¹ complete and suggestive answers. These questions are arranged *SERIATIM* in the order of the articles of the Code. The book, it is hoped, can be used with advantage as a *guide*, to refresh the memory by revising each chapter as it is finished. The compiler is conscious that there are several imperfections in the present work and that it is susceptible of considerable improvement. He will be glad to receive any suggestions or corrections which may tend to enhance its utility.

"GOKULAVANAM,"
Madras, 15th July 1904. }

The Compiler.



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A CATECHETICAL GUIDE

TO

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VOLUME I.

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TO
CIVIL ACCOUNT CODE,
Vol. I.

SIXTH EDITION.

PART I.

Instructions to Officers generally in dealing
with Treasuries.*

CHAPTER 1.

GENERAL PRINCIPLES AND RULES.

Q. 1.—What is the general rule regarding the disposal of money received by Government Officers in their official capacity ?

A.—All transactions, to which the officers of Government in their official capacity are parties, must, without any reservation, be brought to account, and all the money received be lodged in full in the Government Treasury, to be credited to the appropriate account and made part of the general treasury balance. (Art. 1.)

Note.—The appropriation of departmental receipts to departmental expenditure except when specially authorized is strictly prohibited.

Q. 2.—Mention the cases in which the rule referred to in Q. 1, is relaxed in the Civil Department,

A.—The rule is relaxed in the Civil Department—

- i. in the case of the Postal Department to afford facilities for the money order business ;
- ii. in regard to moneys received on account of the service of summonses, diet-money of witnesses, &c., in Civil, Revenue and Criminal cases ;
- iii. in the case of Government Servants appointed Notaries Public under Act 26 of 1881, who are allowed to defray all legal expenses incurred by them in the discharge of their duties as such Notaries Public, out of the fees received by them, the balance only being credited to Government ; they will note in the credit slip the full amount of the fees received and, *per contra*, the expenses disbursed therefrom. (Art. 1, a, b, & c.)

Q. 3.—What are the exceptions to the rule that nothing should be kept apart from the general treasury balance, or be received for safe custody and kept out of account, or be received at all except under ordinary rules and describe the procedure adopted in such exceptional cases ?

A.—If, for special reasons, Government direct the cash chest of another department to be lodged in the treasury for safe custody, the fact should be reported for the information of the Accountant-General and a register kept in the treasury, in which the receipt and return of the chests, should be duly acknowledged, the key or keys of the chest must not be kept by the treasury. In case also of money arriving from a distance too late in the day for examination, it may be kept in sealed bags under double lock, but only until the following day, the fact being recorded in the register mentioned above.

2. Bullion, jewellery and other valuables coming into the hands of a Government officer in his official capacity may be received for safe custody at the discretion of the District Officer. (Art. 2.)

Q. 4.—What particulars should the memorandum (chalan) required of persons paying money into a Government Treasury show ?

A.—The memorandum (chalan) should show distinctly the nature of the payment and the person or officer on whose account it is made, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. (Art. 3.)

Q. 5.—Who are authorized to grant receipts referred to in Q. 4 ?

A.—Receipts for sums less than Rs. 500 do not require the signature of the Treasury Officer, but only of the Accountant and the Treasurer, except receipts for money paid for service stamps which should always be signed by the Treasury Officer. (Art. 3.)

Q. 6.—Whose duty is it to see that the dues of Government are regularly paid into the Treasury ?

A.—It is ordinarily the duty of the Revenue Department concerned and not of the Account Department, to see that the dues of Government are regularly paid into the Treasury. (Art. 4.)

Q. 7.—Explain generally without going into full details a Treasury officer's duties in respect of receipts and payments at a Treasury.

A.—A Treasury Officer has no general authority to deal with demands presented at the Treasury ; his authority to make payments being strictly limited to the rules in the Account Code. If a demand of any kind is presented at a Treasury which is not provided for by the rules in the Code or is not covered by a special order received from the Account office, the duty of the Treasury Officer is to decline payment for want of authority. A Treasury Officer has no general authority to act under an order of Government sanctioning a payment unless it is an express order to him to make the payment ; and even such

special orders should, in the absence of urgency, be sent through the Accountant-General. (Art. 5.)

Note.—The sanction of the Accountant-General is not necessary for the amounts already drawn and refunded.

Q. 8.—Is there any limit to the time after which a Treasury Officer has authority to pay bill for any allowance due?

A.—No bill for any allowance not claimed within six months of its becoming due can be paid without the sanction of the Accountant-General. (Art. 5.)

Q. 9.—Mention a case in which the above clause referred to in Q. 8, is relaxed?

A.—This clause is relaxed in the case of disbursements made by Forest Disbursing Officers. (Note to Art. 5.)

Q. 10.—Who should authorize the payment of claims to arrears of pay or allowances or to increments which have been allowed to remain in abeyance for a period exceeding two years?

A.—Local Government. (Art. 5.)

Q. 11.—May payments be made on account of increases to pay?

A.—No payments may be made on account of increases to pay until the additional expenditure thereby caused has been provided for in the estimates and duly sanctioned. (Art. 5.)

Q. 12.—Are periodical increments of pay provided for in the Estimates?

A.—Periodical increments of pay are not provided for in the Estimates.

Q. 13.—Are periodical increments and "increases to pay" mean the same thing?

A.—No.

Q. 14.—How should a person having a claim against Government present his voucher?

A.—Any person having a claim against Government will present his voucher duly receipted, and, if necessary, bearing a stamp. (Art. 6.)

Q. 15.—What is the general rule regarding vouchers bearing receipt stamps?

A. The general rule is that receipts for all sums exceeding Rupees Twenty must be stamped. (Art. 7.)

Q. 16—State the cases in which a Treasury Officer may accept and pay a bill which does not bear a receipt stamp.

A.—The following are the cases:—

- (a) Receipts given by or on behalf of Government.
- (b) Receipts or Cheques sufficiently stamped or exempt from Stamp Duty.
- (c) Receipts for interest on Government Securities.
- (d) Receipts for withdrawals from Government Savings Bank.
- (e) Receipts on Postal money orders.*
- (f) Receipts granted by a Railway Company for freight and fares.
- (g) Receipts for pay and allowances of Non-Commissioned Officers and Soldiers of H.M.'s or the Indian Army when serving in such capacity, or for their pensions.
- (h) Receipts for any payment of money without consideration, such as receipts for grant-in-aid bills, and for fees paid to Barristers-at-Law.

Q. 17.—Do the following documents require receipt stamp?

- i. Public Works cheque.
- ii. A receipt for an advance taken by a Government officer.

iii. A cheque drawn on account of a Local Fund.

A.—Public Works cheques are exempted from stamp duty. (Art. 7, para. 2.)

ii. Receipts for advance taken by Government Officers are not exempt from stamp duty. (Art. 8 e.)

iii. Cheques or receipts drawn on account of Incorporated Local Funds and District or Local Boards established under the scheme of Local Self-Government are not exempt from Stamp Duty. (Art. 8 d.)

Q. 18.—What are the documents that require receipt stamp?

A.—(a) Cheques or receipts drawn by a Railway company including a company to which a State Railway has been leased, or by a Municipality.

(b) Cheques or receipts signed by a Government Officer as Chairman of a Municipality.

(c) Cheques or receipts drawn on account of Cantonment and other excluded Local Funds.

(d) Cheques or receipts drawn on account of Incorporated Local Funds and District or Local Boards established under the scheme of Local Self-Government.

(e) Receipts for advances taken by Government officers.

(f) Receipts for amounts of emigrants' money orders.

(g) Receipts for refund or repayment of deposits.

(h) Receipts as Acquittance Rolls of Establishments.

(i) Receipts drawn by the Accountant-General or Treasurer of Charitable Endowments on account of interest on Municipal debentures kept in his custody as ordinary Trust Funds or Charitable Endowments. (Art. 8.)

Q. 19.—Is stamp duty chargeable on the following documents ?

i. Cheques drawn by—

- (a) Government Officers on Government account.
- (b) District Boards.
- (c) Municipalities.
- (d) Railway Companies.

ii. Receipts to be granted for—

- (e) Advances taken by Government Officers.
- (f) Interest on Government Securities.
- (g) Refunds or repayments of deposits.
- (h) Postal money-orders.

A.—i. (a) Cheques drawn by Government Officers on Government account are exempt from stamp duty. (Art. 7 a.)

(b) Cheques drawn by District Boards are chargeable with stamp duty. (Art. 8 d.)

(c) Cheques drawn by Municipalities are chargeable with stamp duty. (Art. 8 a.)

(d) Cheques drawn by Railway Companies are chargeable with stamp duty. (Art. 8 a.)

ii. (e) Receipts granted for advance taken by Government Officers are chargeable with stamp duty (Art. 8 e.)

(f) Receipts for interest on Government securities are exempt from stamp duty. (Art. 7 c.)

(g) Receipts for refunds or repayments of deposits are chargeable with stamp duty. (Art. 8 g.)

(h) Receipts on postal orders are exempt from stamp duty. (Art. 7 h.)

Q. 20.—State what all should be observed in the preparation and form of vouchers.

- A. - (a) Printed forms of vouchers in English should be adopted as much as possible; but when, from any circumstance, a vernacular voucher is unavoidably necessary, a bi-lingual form should be used. A specimen which will serve as a general guide is given as Form 31 for deposit vouchers and may be obtained from the local Accountant-General.
- (b) When the use of a purely vernacular voucher is unavoidable, a brief abstract should be endorsed in English under the signature of the preferring officer, stating the amount, the name of the payee, and the nature of the payment.
- (c) The amount of each voucher should be entered in words as well as figures and care must be taken not to leave space for fraudulent alterations before or after either entry. The form for stating an amount in words should be "Rupees only" or "Rupees annas etc.," the written amount filling the whole space between "Rupees" and "only" or "annas."
- (d) All corrections and alterations in voucher should be attested by the initials of the person signing the receipt; any in the orders of payment must be attested in the same way by the Treasury Officer and a fresh voucher called for.
- (e) Charges against two major heads should not be included in one voucher but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action from him, such as entry in different registers. This order does not apply to the allowances of an officer, or of an establishment, as in such cases the whole of his allowances, even if belonging to two or more major heads of account should be drawn on a single bill.

(f) Unless the Local Government has expressly authorized it in the case of any specified office, no payment may be made on a voucher or order signed by a clerk instead of the head of an office, although in the absence of the latter the clerk be in the habit of signing letters for him. Nor may any moneys be paid on a voucher or orders signed with a stamp. When the signature on a voucher is given by a mark or seal, it should be attested by some known person.

(g) Bills requiring *previous* countersignature should be returned unpaid if presented without such countersignature. (Art. 9.)

Q. 21.—What action is required of a Treasury Officer when charges against two major heads are included in one bill ?

A.—When charges against two major heads are included in one bill, the Treasury Officer should not refuse payment unless the items require different action from him such as entry in different vouchers. But the whole allowances of an officer or of an establishment even if belonging to two or more major heads of account should be drawn in a single bill. (Art. 9 e.)

Q. 22.—What action is required of a Treasury Officer on presentation of a claim which, on the face of it, is disputable ?

A.—A Treasury Officer must not honor a claim which on the face of it is disputable ; he will request the claimant to refer the question to the Accountant-General. (Art. 10.)

Note.—He (the Treasury Officer) cannot undertake correspondence for an officer making a claim to any special allowance, but will request him to address the Accountant-General either direct or through his own official superior.

Q. 23.—What should a Treasury Officer do on presentation of a claim ?

A.—The Treasury Officer has to satisfy not only himself but also the Account Department that the claim is valid and has further to prove that the payee has actually received the sum charged. Careful attention must therefore be given to the rules regarding the completion of vouchers referred to in Art. 9 (*vide Ans to Q. 20*). The Treasury Officer must have sufficient information as to the nature of every payment he is making and is without excuse, if he accepts a voucher which does not formally record that information. (Art. 11.)

Q. 24.—Why is it necessary that the note explaining the amount of cash and transfer receipts should be in bilingual form?

A.—Because it is important that the guard or messenger who receive the money should ascertain that the amount stated agrees with the actual cash or drafts delivered to him; and when the person is unable to read, the Treasury Officer should himself explain to him the amount entered on the note. (Note 2 to Art. 11.)

Q. 25.—May a Treasury Officer ever issue a duplicate receipt for money paid into the Treasury?

A.—No Government officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum, on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost, and does not apply to cases in which, by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill passed for payment at a treasury but lost before being cashed, or in the case of a deposit repayment voucher lost before payment, the officer who drew the original bill or voucher should ascertain from the Treasury that payment has not been made on

the original, before he issues a duplicate, which should bear distinctly on its face the word "duplicate" written in red ink. (Art. 12.)

Q. 26.—What action is required of a Treasury Officer in the following case ?

Before payment of issue of a duplicate of a bill passed for payment but lost before being cashed.

A.—Before payment of issue of a duplicate of a bill passed for payment but lost before being cashed, the Treasury Officer should ascertain from the Treasury that payment has not been made on the original bill. (Art. 12.)

Note.—The duplicate should bear distinctly on its face the word "duplicate" written in red ink.

Q. 27.—Describe fully the responsibilities of drawers and payers of bills for salaries, &c., stating who is to be held answerable for overcharges ?

A.—The responsibility for an overcharge will rest primarily with the drawer of the bill, and (failing recovery from him) the overcharge will be recovered from the Treasury Officer or the countersigning officer, only in the event of culpable negligence in either of them.

Note.—The Treasury Officer is required to examine the accuracy of the arithmetical computations in a bill. (Note to Art. 13.)

Q. 28.—What should the Accountant-General do when the charge is irregular or is in excess ?

A.—Accountant-General should proceed to remove the irregularity or recover the excess through the Treasury Officer usually, however, issuing a warning slip to the officer concerned ; and if anything more is due (unless the amount be insignificant) inform the officer accordingly leaving him to prefer the additional claim or not as he thinks proper. (Art. 14.)

Q. 29.—What should a Treasury Officer do on receipt of the objection statement or audit memorandum ?

A.—The Treasury Officer should give his earliest attention and return the objection statement or audit memorandum

within a week, or send a letter explaining the cause of delay.
(Art. 15.)

Note.—The fact that some of the objections are still under reference is no reason for keeping back the Statement. Such cases can be excerpted for subsequent explanation.

Q. 30.—Describe *in full* the procedure to be adopted when the Accountant-General disallows a payment or an allowance as unauthorized.

A.—When the Accountant-General disallows a payment or an allowance as unauthorized, the Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest, but to refuse to pay it in future till the Accountant-General authorises the payment to be resumed. Treasury Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Accountant-General or the officer placed under retrenchment; it is his duty simply and promptly to carry out the orders he has received and to leave the person aggrieved to his remedy in ordinary course. (Art. 16.)

Q. 31.—How are recoveries made?

A.—Recoveries are not ordinarily made at a rate exceeding one-third of salary unless the officer affected has, in receiving or taking the excess acted, contrary to orders or without due justification. (Note 3 to Art. 16.)

Q. 32.—State the rules prescribing the form of cheques and cheque books to be used for drawing money from Treasuries and the method in which they should be kept.

A.—Cheque forms intended for the use of officers who are authorised to draw in Treasuries by cheques, should be bound in books with counterfoils. Each book should bear a number which should be repeated upon each cheque contained in it; together with a consecutive number of the cheque form and the drawing officer should notify to the treasury upon which he draws the number of the Cheque-book which he from time to time brings into use. Outside the book there should be an

order to keep it under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number of cheques made over to the relieving officer, a specimen of whose signature should be forwarded to the Treasury concerned by the relieved officer. (Art. 17.)

For cheque forms printed and issued under the supervision and orders of the Accounts Department the use of a special kind of paper protected by a water-mark has been prescribed and this kind of paper only should be used both in the case of cheques drawn on Treasuries as well as that drawn on the Presidency Banks and their Branches.

Q. 33.—To whom should cheques drawn on Government account on Presidency Banks and their Branches be addressed ?

A.—To the Bank itself and not to any other officer thereof. (Art. 18.)

Q. 34.—How should a cheque drawn on Government account on the Tuticorin Bank of the Bank of Madras be endorsed ?

A.—The cheques should be endorsed thus “Bank of Madras, Tuticorin.” (Art. 18.)

Q. 35.—What should an officer who usually draws or countersigns bills payable at a Treasury or Sub-Treasury do when he makes over charge of his office to another ?

A.—He should send a *fac simile* of the relieving officer's signature to the Treasury Officer or Sub-Treasury Officer, in order that the latter may satisfy himself as to the validity of the bills presented by him. (Art. 19.)

Q. 36.—What course should be followed by a Treasury Officer whenever any defalcation or loss of public money, stamps or opium is discovered in a Government Treasury ?

A.—Whenever any defalcation or loss of public money, stamps or opium is discovered in a Government Treasury, or

other office or department which is under the audit of the Accountant-General, the fact should be immediately reported to the Accountant-General, even when such loss has been made good by the person responsible for it; and when the matter has been fully inquired into, a further and complete report should be submitted of the nature and intent of the loss, showing the errors or neglect of rules, by which such loss was rendered possible, and prospects of effecting a recovery. The submission of such report does not debar the local authorities from taking any further action which may be deemed necessary. (Art. 20.)

Q. 37.—Are erasures permitted? If not, what course should be followed?

A.—Erasures in any account, register, schedule or cash-book are absolutely forbidden, if any correction is necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry interlined. The head of the office should set his initials to each of such corrections in authentication. (Art. 21)

CHAPTER 2.

CHECK ON RECEIPTS.

Q. 38.—What do you understand by departmental receipts? How are they watched?

A.—By departmental receipts it is meant, departmental revenue (e.g., Land Revenue, Excise, Stamp, Jail Receipts, Registration Receipts, &c.), the duty of seeing that the dues of Government are regularly paid into the Treasury rests with the Departmental Controlling Officers, who receive from their subordinates accounts and returns claiming credit for so much paid into the Treasury, and to whom the Accountant-General sends for comparison with these, extracts from his accounts showing the amounts brought to credit in them.

If any wrong credits are thus brought to the notice of the Controlling Officer, he should at once inform the Accountant-

General with a view to the correction of the accounts. If any credits are claimed, but not found in the accounts, it is usually more convenient to make enquires first of the departmental officer. (Art. 22.)

Note.—It is essential that the Departmental Controlling Officer's account should not be compiled from returns prepared by the Treasury. But the Treasury Officer is, in some cases, required to verify returns prepared for submission to Departmental Controlling Officers.

Q. 39.—Describe briefly the procedure prescribed for checking the receipt of fines?

A.—i. In the case of fines, the duty of checking the receipts is laid upon the Accountant General, to whom a monthly return of all fines realised, and of all remittances of fines to the treasury, should be transmitted by every Court having the power to fine.

Note.—Fines which, under competent authority, are credited to a municipal or other local fund, will be excluded from this return.

ii. In order to secure that returns are received from every Court having such power, it will be convenient to arrange for their collection by the head of every department in the district (the Collector, the Judge and the Magistrate), and their transmission by that officer. The return should be compared with the Treasury figures before being despatched. The best means of ensuring the comparison will probably be for the Court to despatch its return through the Treasury Officer who will certify to the agreement with his books or will have the return corrected by the Court before he transmits it. (Art. 23.)

Q. 40.—What are Miscellaneous Demands of Government?

A.—Miscellaneous Demands of Government are those that do not fall within the ordinary revenue administration. Such as tributes and contributions from Native States, contributions

from Municipalities, contributions and others towards the cost of state establishment, &c. (Art. 24.)

Q. 41.—When are Native States responsible for the cost of maintenance of convicts imprisoned in British Jail?

A.—Native States are in some cases responsible for the cost of maintenance of convicts imprisoned in British Jails for offences committed in such States.

Q. 42.—What should the jail officials do in respect to the convict charges due from Native States?

A.—The Jail officials should, in each case communicate to the Accountant-General any amount recoverable on this account and the Accountant-General will then see to its due recovery. (Art. 25.)

CHAPTER 3.

SALARIES AND ALLOWANCES: GENERAL RULES.

Q. 43.—When may monthly salary bills be signed? In what cases may payment be made before the end of the month:—

(a) of salary due to date?

(b) of salary for the whole month or more?

A.—Salary bills may be signed at any time on the last working day of the month by the labour of which the salary is earned, and are due for payment on the next working day.

(a) In the following cases:—

(1) When an officer proceeds on leave (other than privilege leave) lasting beyond the end of the month in which the leave is taken or on Deputation to Europe.

(2) When an officer is transferred from the Civil Department to the Military, Public Works, Marine or Postal Department, or is transferred in the Civil Department to another Province.

- (3) When an officer finally quits the service of Government or is transferred to foreign service,
- (b) If the first six days of a month are public holidays on which salaries are not disbursed at the Treasury, the Local Government may, if it thinks fit, direct the payment of establishment bills (but not of salary bills of Gazetted officers) on the last open day before the said holidays. (Art. 26.)

Q. 44.—Salary bills may be signed only on the last day of the month for which the salary is due. Are there any exceptions to this rule? If so, mention them?

A.—Yes. In the following cases :—

- (a) When an officer proceeds on leave (other than privilege leave) lasting beyond the end of the month in which the leave is taken or on deputation to Europe.
- (b) When an officer is transferred from the Civil Department to the Military, Public Works, Marine or Postal Department or is transferred in the Civil Department to another Province.
- (c) When an officer finally quits the service of Government or is transferred to Foreign service.
- (d) If the first six days of a month are public holidays on which salaries are not disbursed at the Treasury, the Local Government may direct the payment of establishment bills (but not of salary bills of Gazetted Officers) on the last open day before the said holidays.
- (e) In the case of officers and establishments accompanying Government to hill stations, salary bills drawn at the hill station for payment at the provincial capital or *vice versa* may be signed one, two or three days before the end of the month, though they will not be due for payment before the first working day of the next month. (Art. 26.)

Q. 45.—State the conditions under which the last payment of salary may be made by a Treasury Officer to a Gazetted Officer or to an Officer whose pay is drawn on salary bill form, finally quitting the service of Government.

A.—The Treasury Officer should satisfy himself by reference both to the Accountant-General and to his own records, that there are no demands outstanding against him. (Note 2 to Art. 26.)

Q. 46.—State the procedure to be adopted in the case of a bill presented by the heir of a deceased officer.

A.—The salary due to a deceased officer should be paid to his heirs to the extent of Rs. 500 in each case, after such enquiry into the right and title of the claimants as the Collector or other officer responsible for the payment may deem sufficient. If, however, there is any reasonable doubt regarding such claim or title, or the amount due exceeds Rs. 500, the payment should be made only to the person duly authorized to receive assets belonging to the estate of the deceased. Any person claiming as the heir of a deceased pensioner should be required to produce the pensioner's half of the Permanent Pay order, or if no Permanent Pay order has been issued the copy of order in which sanction to pension was communicated to the pensioner or his heir. (Art. 27.)

Q. 47.—Is it necessary that the death of every European officer should be reported to Government?

A.—Yes. The death of every European officer of Government, other than an officer of the Indian Civil Service or the Army or Navy must be immediately reported by the head of his office, to the Government under which he was serving which will announce the circumstance to the Secretary of State. The death of such pensioners should be similarly reported, but by the Account Office. (Art. 28.)

Q. 48.—Explain fully the term "Last Pay Certificate."

A.—The Last Pay Certificate is the certificate granted to an officer on transfer specifying the last regular or monthly

payment. It provides for details of the fund deductions. And in it should be entered all demands against the departing officer of which notice may have been received. (Art. 29.)

Q. 49.—May a Treasury Officer pay salary to an officer to whom he has granted a Last Pay Certificate ?

A.—No. A Treasury Officer must be careful not to pay salary to an officer to whom he has granted a Last Pay Certificate, unless the certificate is first surrendered. (Art. 29.)

Q. 50.—What should the Last Pay Certificate specify in case of transfer of an officer from one district to another ?

A.—In all cases of transfer from one district to another, the Last Pay Certificate should specify the last regular or monthly payment, and the entire salary for the month in which transfer has been made should be paid in the new district. (Art. 29.)

Q. 51.—Through whom should the agents make arrangements for the execution of Bond of Indemnity for drawing leave allowances, &c., of officers.

A.—Through the Comptroller-General. (Art. 30.)

Q. 52.—On whom does the duty of noting fund deductions from pay bills devolve ?

A.—The duty of noting the proper deductions to be made from pay bills on account of funds devolves on the drawers of the bills, but no discretion is allowed in carrying out an order received from the Accountant-General or a Fund Examiner, to make any particular deduction. (Art. 31.)

Q. 53.—State the exception to the rule “the duty of noting the proper deductions to be made from pay bills on account of funds devolves on the drawers of the bills.”

A.—The Treasury Officer must, however check the deductions in the case of the Annuity Fund and the Indian Civil and Indian Military Service Family Pension Regulations. (Note to Art. 31.)

Q. 54.—State the cases in which income-tax is not levied on the interest on Government Securities?

A.—Interest on securities is exempt if the securities are held by or are the property of:—

- (1) Service Fund or Friendly Society
- (2) A University or other association or body existing solely for educational purposes.
- (3) A local authority, such as a Municipal Committee, District Board or Port Trust. (Art. 32.)

Q. 55.—Are the salaries of officers serving outside of British India whose services have been lent to and whose salaries are paid by Native States liable to Income-tax?

A.—Not liable to Income-tax. (Note 1 to Art. 32.)

Q. 56.—For the purpose of Income-tax what allowance does "salary" include and what allowance does it not include?

A.—For Income-tax purpose, salary includes allowances, fees, commission and perquisites or profits received in lieu of or in addition to a fixed salary in respect of an office or employment of profit. (Art. 33.)

Note.—Local and Exchange Compensation allowances are subject to the tax, and no part of a consolidated pay is exempt.

Rewards for passing examination are also taxable. (Art. 33.)

The following allowances are not included:—

- (1) Travelling allowance.
- (2) Tentage.
- (3) Horse.
- (4) Sumptuary.
- (5) Any allowance granted to meet specific expenditure such as house-rent, compensation for dearness of provisions.
- (6) Scholarships if granted to meet the cost of education.
- (7) School prizes.

Q. 57.—Are the following liable to Income-tax?

- (a) Personal allowance.
- (b) Local allowance.
- (c) Sumptuary allowance.
- (d) Exchange compensation allowance.
- (e) House-rent allowance.

A.

- (a) Yes.
- (b) Yes.
- (c) No.
- (d) Yes.
- (e) No. (Art. 33.)

Q. 58.—What are the restrictions under which premium paid to an Insurance Company, Service Fund, Mutual Benefit Fund or other legally established association is exempt from income-tax.

A.—The restrictions are—

- (a) That the total amounts deducted do not exceed one-sixth of the salary for the year ;
- (b) That the claim to exemption on account of premium paid is made within six months from the last day of the financial year during which the premium was paid. (Art. 34.)

Note.—The above deductions are not to be taken into account in determining whether the income is liable to the tax or in determining the rate at which the tax shall be levied.

Q. 59.—State the chief rules regulating the deduction of Income-tax from salary bills.

A.—The tax is leviable upon the gross salary, subject, however to deduction of such portion of the salary as—

- (1) is deducted under the authority or with the permission of Government for the purpose of securing a deferred annuity for the officer himself or a provision for his wife or children after his death;
- (2) is paid by the officer to an Insurance Company, Service Fund, Mutual Benefit Fund, Friendly

Society or other legally established association in respect of an insurance or deferred annuity on his own life or on the life of his wife ;

(3) is paid into any Provident Fund established under the authority or with the permission of Government and is not repayable to the officer at his option so long as he remains in the service.

(4) is compulsorily stopped from salary by the orders or with the approval of Government for payments to Regimental Mess or Band Funds or the like.

(5) is deducted as fine inflicted by the head of an office or department or by Government. (Art. 34.)

Q. 60.—At what rate the tax is leviable? When is salary exempt from the tax?

A.—If the salary, annuity or pension amounts to Rs. 166-10-8 per mensem the amount recoverable is 5 pies in the rupee or if less than the above but not less than Rs. 83-5-4 per mensem, the rate is 4 pies in the rupee. (Art. 36.)

The tax is not leviable on the salary of any officer, warrant officer, non-commissioned officer or private of H. M.'s Forces or of H. M.'s Indian Forces who is not in an employment which according to the ordinary practice is held by military persons and civilians and whose salary does not exceed Rs. 1,000 per mensem. (Art. 36 a.)

Q. 61.—A drew in a month his salary Rs. 80. Should deduction be made on the pay on account of the tax if the salary of other months has been such as to bring the salary of the year up to Rs. 1,000?

A.—No. The tax on salary should be deducted with reference to the salary of each month separately. (Art. 37.)

Q. 62.—X drew in January, February and March 1904 his salary Rs. 86 in the months in which it was due: and Income Tax was deducted from the salary for those months, but his total income during the year was less than Rs. 1,000. Is Income Tax liable to be refunded? If so, how?

A.—Yes. The refund should be made by the officer through whom the tax was originally collected on the certificate of the Collector to the effect that the total income of X for the year did not amount to Rs. 1,000. (Art. 37.)

Q. 63.—How is tax levied on a gratuity ?

A.—The tax is levied on a gratuity with reference to the total of the gratuity and salary drawn by the gratuitant in the year of payment. (Art. 38.)

Q. 64.—Can the Accountant-General, as head of his office, when paying a salary to a clerk of his, question the recipient as to his other income ?

A.—No. He should simply deduct the tax solely with reference to the month's salary or the total of salary and gratuity paid during the year, as the case may be, *unless the Collector brings to his notice that the recipient has other income.* (Art. 39.)

Q. 65.—R. utilises the interest accrued on Government Securities for Public Charitable purposes. Should deduction be made on account of Income Tax, when it is known that his income from all sources is Rs. 50,000 per annum.

A.—No deduction should be made on account of Income Tax, when the interest thereon is employed solely for public charitable purposes. (Art. 40.)

Q. 66.—How are deductions charged in accounts ?

A.—Accounts deducted from bills, &c., are not to be credited in the cash book, as the net amounts will be charged, but the deductions must be clearly recorded on the vouchers on which payment is made. (Art. 41.)

Q. 67.—What is "Exchange Compensation Allowance" ? State precisely the class of officers to whom it is granted and the nature of the emoluments on which it is calculated (a) in the case of Civil Officers subject to the rules in the Civil Service Regulations and (b) in the case of Military Officers.

A.—Exchange Compensation Allowance is a provisional addition to salary, calculated on the difference between the gold value of half-salary, at the market rate of exchange and its value at a privileged rate, 1s. 6d. per rupee (41 A), and granted to all European and Eurasian officers appointed in England by Government who are not Statutory Natives of India. (Art. 41 b)

(a) Pay and acting allowances.

(b) Pay and acting allowances, and staff salary.

Q. 68. What does the term Europe referred to in Art. 41 b include?

A.—It includes the English-speaking people.

Q. 69.—Is a son of a Native of India by an English mother eligible for the allowance?

A.—No.

Q. 70.—To whom do the orders issued by the Government of India on the subject of Exchange Compensation Allowance apply.

A.—The orders apply only to officers paid from general revenues. (Art. 41 b.)

Q. 71.—State briefly as to the admission of Exchange Compensation Allowance to an officer appointed in India, (a) on or after the 1st April 1897, and (b) before the 1st April 1897.

A.—(a) As regards officers appointed in India on or after the 1st April 1897, a certificate of eligibility for exchange compensation allowance will be granted on appointment by the Government by or under which the appointment is made. The certificate will set forth the grounds upon which the officer to whom it is granted is deemed to belong to the class of public servants who supply the indispensable European element in the administrative body of Indian officials.

- (b) In the case of officers appointed in India before the 1st of April 1897, such a certificate on appointment is not required, but the orders of Government under which they are now serving should be obtained, as to their eligibility to receive the allowance. (Art. 41c.)

N.B.—Such Officers as have obtained such certificates or orders can be given the full benefit of exchange compensation allowance.

Q. 72.—Is Exchange Compensation admissible to an officer, in Government service, holding only an officiating appointment but without a substantive appointment?

A.—Yes. He is not debarred from Exchange Compensation Allowance. (Note 2 to Art. 41 c)

Q. 73.—To whom is Exchange Compensation Allowance inadmissible?

A.—(a) Persons temporarily appointed in the service of Government for a specified duty only, upon allowances definitely fixed for the particular case;

(b) Persons serving under a contract in which their allowances are definitely fixed, which is not preliminary to employment in one of the regular services of the Government and five years of service under which have not elapsed.

(c) Persons who are not members of any regular service and who are employed in a professional capacity (such as lawyers, teachers, lecturers, clergymen, medical men,) without being debarred from the private exercise of their profession.

(d) Officers permitted to make family remittances through Government for any month in which the privilege is availed of. (Art. 41 d.)

Q. 74.—How should Exchange Compensation Allowance be calculated?

A.—It should be calculated on the whole gross salary for the month before deduction of Income Tax, annuity and fund deductions. (41 e.)

Q. 75.—How should Exchange Compensation Allowance be calculated to an officer finally quitting the service of Government or is transferred to foreign service ?

A.—It should be calculated at the rate in force at the time the payment is made. (41 f.)

CHAPTER 4.

GAZETTED OFFICERS' BILLS.

Q. 76.—Is it necessary that an officer who draws an additional allowance for a separate office, should present a separate bill for it ?

A.—No Unless it is chargeable to a Local Fund (Art. 42.)

Q. 77.—What documents should be required by a Treasury Officer before paying salary—

(a) To an officer drawing salary for the first time at a Treasury.

(b) To an officer drawing salary at an increased rate.

A.—(a) An officer drawing salary for the first time at any Treasury should present with his salary bill a last pay certificate in accordance with the rules in Civil Service Regulations, unless he is a newly appointed officer drawing his pay for the first time when a health certificate,—except in the case of an officer appointed by the Secretary of State, and an order from the Accountant-General should be attached to the bill. (Art. 45.)

(b) No officer may draw an increased or a changed rate of salary or fixed allowance unless the bill

on which he draws it is either pre-audited by the Provincial Accountant-General or is accompanied by a letter of the Accountant-General authorizing the amount to be drawn. (Art. 46.)

Q. 78.—How can an officer draw increased or changed rates of salary and when does a personal allowance cease ?

A.—No officer may draw an increased or changed rate of salary or fixed allowance unless the bill on which he draws it is either pre-audited by Provincial Accountant-General or is accompanied by a letter of the Accountant General authorizing the amount to be drawn. (Art. 46.)

A personal allowance should cease as soon as the pay or salary of the holder thereof is increased by an amount, equal to his personal allowance. (Art. 77, C. S. R.)

Q. 79.—State the procedure to be observed when a transfer or change of a gazetted officer takes place.

A.—Every transfer or change of a gazetted officer should be reported by post on the same day to the Accountant-General ; and, in the case of an officer having *independent* charge of a public treasury, statements of the cash balance, of the stamp and opium stores and also of the bill forms in stock, should be prepared, signed by the officer taking charge, and forwarded to the Accountant-General at the same time.

Note.—This rule only applies to changes of **District officers**, not to transfers of executive charge of the treasury between their subordinates ; in the latter case, the fact of transfer should simply be advised to the Accountant General. (Art. 47.)

Q. 80.—Can an officer who has earned his pay in India be paid in England ?

A.—No. He must make his own arrangements to receive it in India. (Art. 48.)

Q. 81.—A Military Officer presents a bill for a reward for proficiency in an Oriental language ; should the Treasury Officer pay it ?

A.—Bills for reward under Military Rules to Military Officers in Civil employ should be submitted to the Accountant-General who will pass them for payment after having them pre-audited by the Military Department. The amounts of these bills will be debited to the Military Department through the exchange accounts. (Art. 50, para. (2))

Q. 82.—State the rules, as to the place of payment of salary and other allowances to Inspecting Officer and the exceptions to these rules ?

A.—An officer whose duty requires him to travel about on inspection should ordinarily take with him a last pay certificate which will enable him to draw from the nearest Treasury within his circle of jurisdiction such portion of his pay as may be entered in it at his request, the balance, if any, being drawn at his head-quarters. Should he pass from one Accountant-General's jurisdiction to another's the last pay certificate should be countersigned by both. As an exception to the above rule such advances as may be required on account of pay may be drawn by the officers named below, the pay bill being presented at the presidency :—

- (a) Bishop from any treasury within diocese.
- (b) Archdeacon, from any treasury within diocese.
- (c) Inspector-General of Forests, from any treasury in India.

Receipts should be taken in duplicate, the original being forwarded immediately to the Accountant-General and the duplicate retained to support the debit in the list of payments. (Arts. 51 and 52.)

CHAPTER 5.

ESTABLISHMENT.

Q. 83.—When and to whom are annual returns of the establishment submitted ?

A.—As the time of preparation of the pay bill for March in each year, a detailed statement in duplicate of the personnel

ent establishment existing on 1st April, will be prepared and transmitted to the Accountant-General direct as soon as possible, and in any case not later than the 15th May.

Notes.—The statement should be carefully checked with the services books as it will be the chief authority by which hereafter pension claim will be tested. (Art. 55.)

Q. 84.—State briefly the instructions to be observed in the preparation of detailed statement of the permanent establishment which has to be submitted annually to the Accountant-General.

A.—The return will show accurately the establishment as it exists on 1st April and in preparing it, the following instructions should be carefully observed.

- (a) The name, designation, and pay of every gazetted officer, clerk or menial servant holding a permanent appointment whether on duty or absent or on leave or deputation or under suspension should be distinctly shown.
- (b) The date of birth, of appointment to present post and of promotion to present pay of each person as well as the number and date of Government orders creating the post should be clearly entered in the appropriate column of the statement.
- (c) The return should show accurately the sanctioned scale of permanent establishment.
- (d) The names of gazetted officers should be entered first and beneath them those of the clerks and servants in order of sections of the establishment.
- (e) The columns of minimum and maximum pay of the post should be filled up only when the pay is progressive.
- (f) The name of every person acting in an appointment as well as the acting allowances paid to him should be shown in the column "Name of incumbent" beneath the name of absentee for whom he is officiating.

- (g) If the acting incumbent holds a permanent appointment upon another establishment the fact should be stated, and the entry should be supported by a certificate from the head of that other establishment.
- (h) If any person on this establishment has attained the age of 55 years, the number and date of the order of Government or other competent authority permitting his retention in the service should be quoted in a note at the foot of the statement and the period for which his retention has been authorized should also be mentioned.
- (i) A detailed statement showing new names of non-gazetted officers which are not found in the return of the previous year as also the name of non-gazetted officers which appeared in the previous year, but are now omitted should be given at the foot of the original return.
- (j) A separate detailed statement should be prepared for each permanent establishment existing on 1st April and not more than one establishment should be exhibited on a single page.

Note.—A certificate of the above comparison should be endorsed on the return thus : " compared with the service book and found to agree." (Art. 55.)

Q. 85.—What are the Subsidiary Statements that should accompany the annual return of establishment submitted to the Accountant-General when that return is due to him ?

A.—The return should be accompanied (1) by an abstract which will link together the gross number shown in the budget estimate of each establishment and the nominal rolls in the book of the establishment ; (2) by nominal roll in triplicate in cases of Europeans, and East Indian employes including officers of the Covenanted Civil Service of the Army with the names and salaries of their appointment and the period of their

residence in India while in the service of Government, distinguishing Europeans from East Indians. (Art. 56.)

Q. 86.—What is a Proposition Statement? When is it necessary and how is it drawn up?

A.—When the entertainment of a new establishment, or a change, temporary or permanent, is proposed in an office, a letter fully explaining the grounds of the proposition should be submitted departmentally to the Local Government, along with a tabular statement in duplicate in Form 5, showing clearly its financial effect. If the change would effect only a section of the establishment the numbers and cost of the other section may be shown in totals without detail, but full particulars must be given for all in which any alteration is recommended. The statement prescribed in Art. 158 should also be submitted when necessary. (Art. 57.)

Q. 87.—How should the average pay be calculated in respect to progressive appointments?

A.—The average cost no doubt, varies under various circumstances, but under all it depends largely on the period of rise. If the pay rise by five equal increments from a minimum to a maximum, the average monthly cost will be taken in the case of a Gazetted Officer at the minimum *plus* two-thirds and in the case of ministerial establishments at the minimum *plus* three-fourths of the difference between the minimum and maximum; if the period of rise be twenty years, the average monthly cost may be taken at the exact mean; in other cases an intelligent estimate should be made. (Art. 57.)

Q. 88.—What is the average cost of an appointment on a progressive salary of:—

(a) Rs. 300-10-350.

(b) „ 100-5-200.

A.—In the case of a gazetted officer the average cost is

$$300 + \left(\frac{50 \times 2}{3} \right) = 300 + 33.5 = 333.5$$

In the case of a ministerial establishment the average cost is

$$300 + \left(\frac{50 \times 8}{4} \right) = 300 + 37.8-0 = 337.8-0.$$

(b) The average cost is

$$100 + 200 \frac{8}{2} = 150 \text{ Rs.}$$

Q. 89.—What information should the pay bill of an establishment and the *leave statement* furnish.

A.—The establishment bill must show separately in the first money column the salary or leave allowance claimed for each person for the month whether drawn or not, and in the second, any amount not drawn, but held over for forfeiture payment; the fourth money column must show the amount actually drawn for each section; and when salary is drawn for a portion of a month only, the rate at which it is drawn, and number of days for which it is claimed, should be stated. (Art 60.)

The leave statement must show in detail the names of officers on leave, deputation, transfer or suspension with the names of officers acting for them. For an officer absent on deputation or transfer, the word "deputation" or transfer will be entered in the appropriate column of the statement. If the absentee is appointed substantively *pro-tempore* to his new office, *sub-pro tem* should be entered. (Art. 60 Note 1.)

If an officer is suspended the word "suspended" should be entered. (Art. 60 Note 2)

The chain of appointments made consequent on each absence should be separated off by a line drawn across the leave statement after the name of the last acting officer. (Art. 60 Note 3.)

Q. 90.—What certificate should be attached to an establishment pay bill when an officer is appointed newly to a superior service?

A.—When the name of any person appointed to superior service appears for the first time in an establishment bill, either

reference must be given to a previous appointment held by him (which should be supported by a last pay certificate, showing dates of making over and receiving advances, outstanding, &c.). (Art. 61.)

Q. 91.—State the rules prescribed in the preparation of a pay bill of an establishment.

A.—(1) The pay bill will be prepared in the prescribed form and the total of each section will be entered in red ink. (Art. 58).

(2) The pay of all temporary establishments (other than hot-weather establishment and temporary field establishments) which are entertained under sanction should be billed for separately and sanction quoted. (Art. 58, Note 1.)

(3) Fines imposed are properly recovered by stoppages from pay and consequent short drawings from the Treasury. (Art. 59.)

(4) The monthly bill will be supported by a leave statement or by a certificate that no person in the establishment is on leave. (Art. 60.)

(5) When the name of any person appointed to the superior service appears for the first time in the establishment bill, a health certificate must accompany the bill. (Art. 61.)

(6) To the first bill in which a periodical increment is drawn, a certificate in Form No. 8 should be appended. (Art. 62.)

Q. 92.—When may the last pay certificate referred to in Q. 89 be dispensed with ?

A.—If he did not previously hold any appointment or is re-employed after resignation or forfeiture of past service, a health certificate must accompany the bill. (Art. 61.)

N.B.—The number and date of sanction to appointments of persons other than natives of India on salary of Rs. 200 a month or upwards should be quoted.

Q. 93.—What is the procedure for the distribution of salary by the head of an office? To what extent is he responsible for the payments?

A.—The head of an office is personally responsible for every salary drawn on a bill signed by him until he has paid it to the person entitled to receive it and has had the acquittance roll signed by the payee, with, if necessary, a stamp. If the payee do not present himself before the end of a month the amount drawn for him must be refunded by short drawal in the next bill. (Art. 63.)

Q. 94.—Can a *Non-Gazetted Officer* on leave in India draw his leave allowance at any Treasury?

A.—No. The allowance can only be drawn from the treasury from which his salary is disbursed and he must make his own arrangements for drawing it there and getting it remitted to him. (Art. 63.)

Q. 95.—Is it in the power of the head of an office to re-adjust the salaries of his establishment as he pleases without exceeding to the sanctioned expenditure?

A.—The head of an office is not at liberty to re-adjust the salaries of an officer by giving one officer more and another less than the sanctioned pay of his post, nor may he distribute the pay of an absentee otherwise than as provided in the Civil Service Regulations. (Art. 64.)

Q. 96.—How should arrear pay be drawn?

A.—Arrear pay should be drawn, not in the ordinary monthly bill, but in a separate bill, with quotations of the bill from which the charge was omitted or withheld, or on which it was refunded by deduction or of any special order of Government granting a new allowance. Such bills can be presented at any time, subject to the conditions laid down in Article 5 and may include as many items as are necessary. (Art. 65.)

Q. 97.—State all that you know of a "*service book*."

A.—Service book is a contemporary record in minute detail of a person's official career and every entry is attested at the

time by the head of an office whose orders have caused it. The service book should be kept in the custody of the head of the office. When an employee is transferred to another office, his service book should be sent to the head of the office to which he is transferred and not made over to him nor should it be given to him when proceeding on leave. (Art. 67.)

Q. 98.—What are the rules relating to the grant of compensation for dearness of provisions ?

A.—The grant of compensation for dearness of food shall be admissible at the discretion and under the special orders of Local Governments, and Administrations and Heads of Imperial Departments, subject to the limits specified in the following rules :—

- (1) When the price of the common staple food-grain of the district is dearer than Re. 1 for ten seers, all whole-time servants of Government on Civil Establishments whose pay does not exceed Rs. 16 per mensem, or in the case of men required to keep a horse or camel, Rs. 25 per mensem, may receive an extra allowance not exceeding Re. 1-8-0 per mensem. If the pay of the officer is less than Rs. 5 per mensem the extra allowance may be increased at the discretion of the sanctioning authority so as to bring up the aggregate pay and allowances Rs. 6-8-0 per mensem.

When such grain is not dearer than 1 rupee for ten seers, but is dearer than 1 rupee for 12 seers, the said servants may receive an extra allowance of Re. 1 per mensem. If the pay of the officer is less than Rs. 5 per mensem the extra allowance may be increased, at the discretion of the sanctioning authority, so as to bring up the aggregate pay and allowances to Rs. 6 per mensem. (Art. 72.)

Q. 99.—What is meant by the common staple food of the district ?

A.—It means the cheapest grain of any kind commonly used by the people of the district.

CHAPTER 6.

CONTINGENT CHARGES.

Q. 100.—In what two great classes contingent charges are divided ?

A.—Contingent charges incurred on the public service are generally divided into, at least, 2 classes.

(1) Contract contingent charges.

(2) Countersigned contingent charges. (Art. 73.)

Q. 101.—Explain what is meant by "*Contract Contingent Charges*."

A.—Contract contingent charges are those for which a lump sum is allotted annually within which the officer may incur expenditure as required without further sanction of any kind. (Art. 74.)

Q. 102.—How are fixed allowances for contingent expenses drawn ?

A.—Fixed allowances for contingent expenses which are drawn regularly irrespective of the actual expenditure incurred in any month are drawn in the establishment bill. (Note 1 to Art. 74.)

Note.—This allowance is not subject to the rules of the chapter treating on contingent.

Q. 103.—By whom and how far is the limit restricted to for incurring contingent charges on the public service ?

A.—An officer is allowed to draw money from the Treasury for contingent expenses incurred on the public service within the amount allotted to him in his Budget Estimate or otherwise. For ordinary expenses, previous sanction is not required.

It is for the Local Government to define the nature and limit of charges—

(a) Which may be incurred without previous sanction.

(b) Which require the previous sanction.

(i) Of any Controlling Officer.

(ii) Of itself. (Art. 75.)

Q. 104.—Describe fully the contract grant system.

A.—Contract contingent charges are those for which a lump sum allotted annually within which the officer may incur expenditure as required without farther sanction of any kind. (Art. 74.)

An officer is allowed to draw money from Treasury for contingent expenses incurred on the public service within the amount allotted to him in his Budget Estimate or otherwise. For ordinary expenses previous sanction is not required. (Art. 75.)

To an officer incurring petty expenses which require to be paid at once before money can be obtained on a contingent bill a permanent advance is allowed, which is in general single for the whole office. (Art. 77.)

A register of contingent expenditure shall be kept in each office, and the initials of the head of the office shall be entered against the date of payment of each item. (Art. 79.)

When it is necessary to draw money for contingent expenses from the Treasury, as for example, when the permanent advance begins to run short, and in any case at the end of each month, or when a transfer of office takes place, the cashier will rule a red ink line across the page of the register or registers, add up the several columns and post the several totals in a separate bill for each class of contingent charges. In a bill for contract contingent charges such details need be given as will suffice for the proper classification of the charges. (Art. 83.)

All charges incurred must be paid and drawn at once, and under no circumstances may they be allowed to stand over to be paid from the grant of another year. (Art. 84.)

Contingent charges are to be recorded as charges of the month in which they were actually disbursed from the Treasury (Art. 87.)

Q. 105.—Who fixes the amount of the permanent advance for each office ?

A.—The amount of the permanent advance for each office is fixed by the Local Government on application through the Accountant-General. (Note 1 to Art. 77.)

Q. 106.—Define “Permanent Advance.” Why is it allowed ?

A.—A permanent advance is intended to provide, for emergent petty advances of all kinds, though it is seldom that they will be needed for other than contingent charges. (Note 2 to Art. 77.) It is allowed to an officer incurring petty expenses which require to be paid at once before money can be obtained on a contingent bill. (Art. 77.)

Q. 107.—Briefly describe the method by which permanent advance may be recouped from time to time.

A.—When it is necessary to draw money for contingent expenses from the treasury and in any case at the end of each month the cashier will rule a red ink line across the page of the register or registers, add up the several columns and post the several totals in a separate bill for each class of contingent charges. In a bill for countersigned contingent charges details must be given of the numbers of the sub-vouchers pertaining to each entry. In a bill for contract contingent charges such details only need be given as will suffice for the proper classification of the charges; the sub-vouchers for service postage and telegraph charges should be attached to the bill. The bills with the sub-vouchers and registers will be laid before the head of the office, who will put his initials against the date of each payment and sign the bill, which the cashier will then date and number and present for payment at the Treasury. (Art. 83.)

Q. 108.—What is the restriction laid down in respect to the charges for postage and telegrams admissible in contingent bills and what are the vouchers that should be forwarded in support of such charges ?

A.—No charges shall be entered in any contingent bill for any postage labels but service postage labels, or for any telegrams other than State telegrams. The postage charges must be supported by the Treasury receipts for the money, which should always be given upon a printed form entirely filled up by the treasury and signed by the Treasury Officer, and the telegraph charges by receipts from the Telegraph Department, showing that the telegrams have been classified as State telegrams, except when, under unavoidable circumstances, the Railway Telegraph is used. If a telegram receipt is erroneously marked "Private" the charge must be supported by a certificate from the head of the office that it was on the Public Service. (Note 3 to Art. 80.)

Q. 109.—What are the rules as to the watching of contingent expenditure and keeping up registers relating thereto?

A.—The Government of India "expects that every public officer will exercise the same vigilance in respect to petty contingent expenses that he would do if spending his own money," and has further ordered that a register of contingent expenditure shall be kept in each office, and the initials of the head of the office shall be entered against the date of payment of each item. (Art. 79.)

To enable the disbursing officer to watch the progress of the expenditure under each detailed head as compared with the budget grant for it, a progressive total of all columns must be made monthly, immediately after the monthly total, and will include all payments under each head, as also all work bills (See Art. 96) from the commencement of the year up to the end of the last expired month. (Art. 82.) The Contingent Register will be in Form 10, printed on royal paper in which each Accountant General will assign to the several columns headings suitable to the condition of each department and office. (Art. 80.) Before the register is brought into use in the disbursing office it will be ruled; and as the office cashier pays away any money he will enter the date, name of payee and number of sub-vouchers in the three columns to the left, the amount in the proper column (marking off all the others); and in the case of any unusual

charge, he will also take against the description the initials of the office incurring it. (Art. 81.) At the end of each month the forward total of each column should be made in the disburser's register, and when the foot of the page is reached, it should be carried forward in ink to the top of the next. (Art. 82.)

Q. 110.—State the procedure to be followed in the payment of bills for contingent charges.

A.—In a bill for contract contingent charges such details only need be given as will suffice for proper classification. (Art. 83.)

- (1) In a bill for countersigned contingent charges details must be given of the numbers of the sub-vouchers pertaining to each entry.
- (2) All charges incurred must be paid and drawn at once, and under no circumstances may they be allowed to stand over to be paid from the grant of another year.
- (3) The charges of two major heads may not be shown in one register nor included in one bill.
- (4) When for any charge special sanction is necessary the sanction must be quoted both in the bill presented for encashment and in the detailed bill.
- (5) Contingent charges are to be recorded as charges of the month in which they were actually disbursed from the Treasury. (Arts. 83 to 87).

Q. 111.—Describe the systems of drawing and accounting for contingent charges other than those not from contract grants.

A.—From the monthly totals of the contingent register the monthly detailed bill will, in the case of countersigned contingent charges, be prepared in Form 11 headed *not payable at the Treasury* and showing the monthly total of each column, with description of each unusual charge; the number of the sub-vouchers will be entered against each item; at foot will be a memorandum of the number and date of every contingent bill

cashed at the Treasury, and the sub-vouchers included in each, and the amount charged in the bill must be agreed with the amount actually drawn from the Treasury within the month. It will be signed by the head of the office and submitted to the controlling officer, or, if there be no controlling officer, to the Accountant-General direct, with all sub-vouchers for service postage stamps and telegram charges, and for all sums above Rs. 10, and a certificate of destruction of the vouchers for sums of and below Rs. 10. (Art. 88.)

On receipt of the monthly detailed bill in the office of the countersigning officer, its figures will be transcribed in a register of the same form as the disburser's register, with similar description of the unusual items, and the bill will then be reviewed by the countersigning officer with the sub-vouchers. Any disallowance, with the number of the sub-voucher and the explanation of the objection, will be noted on the bill at foot and in the "Remarks" column of the register, and the amount shown in the register in the column affected will be corrected in red ink, explanation of the objection should be given on the reverse of the bill, if there is not room on the face. The countersigning officer will then take up register and bill together, enter in the former the date of admission under his initials, sign the bill and despatch it to the Account Office with the large vouchers, and a certificate in lieu of the smaller ones. (Art 91.)

Q. 112.—How does an inspecting officer draw his :—

- (i) Contingent expenses; and what are the duties of countersigning officer?
- (ii) Travelling allowance?

A.—(i) It is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity, and are at fair and reasonable rates, that previous sanction for any item requiring it is attached; that the requisite vouchers are all received and in order; and that the calculations are correct, and especially that the expenditure has not exceeded, and is not

likely to exceed, the grant of the particular district under the head concerned. If expenditure be progressing too rapidly, he should communicate with the disbursing officer, and insist on its being checked. If the *monthly proportion* of the budget grant is at any time exceeded, the countersigning officer is required to note on the detailed bill for the information of the Accountant-General that he is satisfied that special circumstances have rendered the temporary excess necessary. (Art. 90.)

An inspecting officer cannot take advances on account of office contingent charges. He should provide himself with a portion of his permanent advance and recoup himself from time to time by presenting at the different treasuries contingent bills, in the ordinary form, for recovery of contract or countersigned contingent charges as the case may be. (Art. 94.)

- (ii) A travelling officer should ordinarily take with him a last pay certificate, which will enable him to draw from the nearest Treasury within his circle of jurisdiction, such portion of his pay as may be entered in it at his request, the balance, if any, being drawn at his headquarters. Similarly, he may draw his travelling allowance on the prescribed bill form with necessary certificate, countersigned by the controlling authority, if any, but he cannot take advances on account of travelling allowances. (Art. 51.)

Q. 113.—To what points should an officer principally direct his attention when a contingent bill comes before him for countersignature?

A.—It is the duty of a countersigning officer to see that the charges made in a contingent bill are of obvious necessity and are at fair and reasonable rates. (Art. 90.)

Q. 114.—How is the recovery of retrenchment effected and recharged ?

A.—After despatch of the bill to the Account Office, the countersigning officer should communicate any disallowance to the disbursing officer, and its amount should be without fail refunded by short drawing on the next contingent bill presented at the Treasury for the same department ; therein the gross amount of each sub-voucher would be entered, and below the total, would be entered “ Deduct disallowed from bill of R.....,” and the receipt given would be for the net amount only. An item disallowed must without fail be recovered, and if, after correspondence, the countersigning officer withdraws his objection, the amount may be re-drawn : after the total of the sub-vouchers in the next bill presented at the treasury would be entered “ Add amount of disallowance from bill of refunded by deduction from contingent bill No. dated, and re-allowed as per ; ” the receipt would be for the gross amount, and the items would be re-included in the next monthly contingent bill. (Art. 93.)

Q. 115.—Can an inspecting officer take advances on account of office contingent charges ; if not what is he to do for contingent expenses and how are those amounts to be treated ?

A.—An inspecting officer cannot take advances on account of office contingent charges. He should provide himself with a portion of his permanent advance and recoup himself from time to time by presenting at the different Treasuries, contingent bills in the ordinary form, for recovery of contract or countersigned contingent charges as the case may be. The amounts drawn will be taken as final payments and not as advances. (Art. 94.)

Q. 116.—Explain what is meant by Inter-Departmental Transfers ?

A.—Inter-departmental transfers are transfers under which one department of the public service may charge another Department for services rendered or articles supplied to it. (Art. 95.)

All payments due by one Public Department to another should be made by book transaction. (Clause 11, Art. 95.)

Q.—117.—Explain the difference between—

- (a) Public Service Departments and *Quasi Commercial* departments giving examples of each class and stating briefly the *general* principles regulating Inter-Departmental transfers between them.

A.—*Public Service Departments*.—These are constituted for the discharge of those functions which either (a) are inseparable from, and form part of, the idea of Government, or (b) are necessary to and form part of, the general conduct of business. Their cost is shown in the public accounts as the cost of the service as a whole, and without reference to the details of the service rendered (e.g.)—

(a) Jails, Police, Roads and Buildings, Irrigation, Military Works, Army.

(b) Survey, Government Printing, Stationery.

Quasi-Commercial Departments.—These are maintained for the purpose of rendering particular services on payment made for the services rendered or for the articles supplied. Their functions are not part of the ordinary idea of Government administration (e.g.)—

Forests, Post Office, Telegraph, Railways, Irrigation, Cinchona Plantation. (Art. 95.)

Q. 118. II.—What are the conditions on which Government Department may charge another for work done or articles supplied? What is the method of effecting the payment?

A.—A commercial department should charge any other department for services rendered or articles supplied in the

same way as it would charge a member of the public. (Clause 2, Art. 95.)

Service departments are not allowed to make charges against other departments for services which fall within the class of duties for which they are constituted. (Clause 4, Art. 95.)

In the case of work done by a Government factory (such as a jail, mint, workshop) or other authorized transfers, the officer in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done, and forward it in triplicate to the officer served, who, on approving the invoice, will countersign all, and return one copy to the supplying officer. Another copy he will file in his own office, and the third he will attach to his contingent bill for the current month, noting the amount in the statement of account at foot, in order to work out the available balance of his grant, but not including it as a disbursement among the charges of his bill. Before despatching his monthly bill, however, he should post the amount of the work bill in his contingent register, and include it in the forward total, in order that he may agree that forward total with that shown in the statement of account on his contingent bills. (Art. 96.)

Q. 119.—How are charges adjusted for work done at a Government Factory ? How is expenditure incurred in one district on account of another brought to account ?

* A.—In the case of work done by a Government Factory (such as a Jail, Mint, Workshop) or other authorized transfer, the officer in charge will, if the adjustment is to be made by book transfer, prepare an invoice of the quantity and price of the work done and forward it in triplicate to the officer served, who, on approving the invoice, will countersign all, and return one copy to the supplying officer. Another copy he will file in his own office, and the third he will attach to his contingent bill for the current month, noting the amount in the statement of account at foot, in order to work out the available balance of his grant, but not including it as a disbursement among the

charges of his bill. Before despatching his monthly bill, however, he should post the amount of the work bill in his contingent register and include it in the forward total, in order that he may agree that forward total with that shown in the statement of accounts on his contingent bill; in the register of the countersigning officer the amount of such a bill should in like manner be separately entered. Such invoices will never be retained by the countersigning officer. (Art. 96, C. A. C.)

It is often expedient for public officers to make purchases or incur expenditure in another district, making his arrangements through an officer in that other district. If the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50, payment may be made by transfer receipt, but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office and not demand recoupment by transfer receipt from the officer at whose request, he, as an agent, incurs the expenditure. The charge must, however, be taken as expenditure of the department to which the officer requiring the expenditure is attached. (Art. 97, C. A. C.)

Q. 120.—How is the charge relating to the amount paid on account of contingent expenditure for the other officers to be treated?

A.—If the amount to be paid on account of contingent expenditure incurred in this way is not less than Rs. 50, payment may be made by transfer receipt but otherwise every public officer who incurs expenditure in this way must treat it as expenditure of his own office, and not demand recoupment by transfer receipt from the officer at whose request he as an agent incurs the expenditure. The charge must however be taken as expenditure of the department to which the officer requiring the expenditure is attached and therefore an officer should address his applications for any service to the principal officer of his department in the district indented on. (Art. 97.)

Q. 121.—What is the minimum of the lowest limit prescribed for which a transfer receipt can be obtained on

account of the contingent expenditure incurred in another District ?

A.—If the amount to be paid on account of contingent expenditure is not less than Rs. 50 payment may be made by transfer receipt.

Note.—This rule is not applicable when purchases are effected in the capital town of a Presidency or Province, the cost may then be sent by R. T. R.—(Art. 97.)

Q. 122.—What are the rules relating to the payment of remuneration for section-writing and copying ?

A.—No charge may be made for section-writing, *i.e.*, for copying manuscript by piece-work, without the previous sanction of the authority which could sanction employment of an establishment. The sanction should specify the number of men, the number of words to be copied per rupee and the rate for tabular work. The sanction may be given to the expenditure of a specified maximum sum in a fixed period, and the bills must state the number of persons paid, and the amount of matter. No person in receipt of a salary from Government can be paid for section-writing save with the special sanction of the Local Government and no periodical allowance may be charged as section-writing. (Art. 98 c.)

Q. 123.—What are the rules regulating the expense purchase of articles of European manufacture.

A.—Articles of European manufacture should ordinarily be obtained by indenting on the Secretary of State ; but this rule does not apply to petty purchases not exceeding to Rupees 10 in value, made in the local market. Should the cost of the articles to be so purchased exceed Rs. 10, the previous sanction of the Local Government should be obtained. (Art. 98 k.)

Q. 124.—What are the rules in connection with the incurring of charges for ?

(1) rent ;

(2) petty construction and repairs ?

A.--(1). The rent of any land or building occupied for public purposes shall be paid by the public office or department occupying it and recorded in the public accounts as a charge of that office or department. The first charge in every year made in any contingent bill should be supported by a certificate from the Executive Engineer concerned, that a suitable public building was not available for the purpose required. Post office engaged in receiving and delivering letters are exempt from this rule. (Art. 98 n.)

(2) Expenditure on construction and repairs executed by Civil officers can be treated as contingent expenditure of the department incurring it and classified as petty construction and repairs only when it does not exceed Rs. 1,000 in amount. When it exceeds that sum it should be treated as Public Works expenditure. These orders do not refer to the Forest and Salt departments. (Art. 98 w.)

Q. 125.—Name the authority which is competent to sanction the following charges :—

- (a) Section writing establishments.
- (b) Cost of books and periodicals.
- (c) Articles of European manufacture costing more than Rs. 10 each.
- (d) Articles of country manufacture costing Rs. 50.
- (e) Recurring charges, such as house rent, &c.

A.—(a) The previous sanction of the authority which could sanction employment of an establishment (i.e.,) Local Government. (Art. 98 c.)

(b) Local Government; but heads of departments can purchase books each costing less than a Rupee without the sanction of Government. (Art. 98 e.)

(c) Local Government. (Art. 98 k.)

(d) Heads of office and departments.

(e) Local Government. (Art. 98 n.)

Q. 126.—State the general principles prescribed in connection with state telegrams?

A.—State messages may be classed as “urgent,” “ordinary” or “deferred,” at the discretion of the sender, and the following general principles are prescribed for the guidance of officers, who should also bear in mind the necessity for keeping the expenditure as low as possible. -

- (1) When it is not necessary that a reply (by post or wire) should be despatched within office hours of the same day, the message should be sent “deferred.”
- (2) When it is considered essential that a reply should be sent the same day, the message should be sent “ordinary.”
- (3) “Urgent” messages should be used only.
 - (a) In cases of real emergency.
 - (b) In cases where the despatching officer knows that the line is for any reason blocked and considers his message sufficiently important to take precedence of ordinary traffic.
- (4) Telegrams should, except when extreme provision is important, be expressed in as few words as are consistent with clearly conveying the intended meaning and mere auxiliary or connective words, which can obviously be filled in by the receiver, should be omitted. (Art. 98 s.)

Q. 127.—What are the rules relating to the purchase of Chubb's locks?

A.—The local purchase of Chubb's locks is not admissible. Indents from them should be made on the Stationery Office and included in the General Stationery indent. (Art. 98 t.)

CHAPTER 7.

MISCELLANEOUS CHARGES.

Q. 128.—What are the rules laid down as to refunds of Revenue ?

A.—It is essential that every refund should be noted against the original credit in the Departmental accounts, where all sums are entered in detail. The voucher for refunds provides for a certificate of such note having been made. The officer who received the amount should then fill up the form and sign the certificate in the proper column while the Treasury Officer or the Sub-Treasury Officer should verify the credit by means of the particulars and affix his signature in token of his having done so. The sanction necessary for refunds of revenue is regulated by the orders of the Local Governments. (Arts. 99 and 100.)

Q. 129.—How is sanction for refunds of revenue, of stamps and fines regulated ?

A.—The sanction necessary for refunds of revenue is regulated by orders of the Local Governments, the original authority duly receipted and stamped if necessary can be used as a voucher, Form 13.

Refunds of fines under provisions of the law are made by an order on the Treasury. Refunds of stamps by courts can be made in the same way as refunds of fines. Refunds by District offices are usually regulated by departmental rules. (Art. 101.)

Q. 130.—What are the rules prescribed by the Government of India for the regulation of expenditure incurred by officers entrusted with special political expenditure ?

A.—The following rules have been prescribed by the Government of India for regulation of expenditure incurred by officers entrusted with special political expenditure.

- (1) A political officer entrusted with special political expenditure shall supply himself with funds by cheques drawn on treasuries against letters of credit issued by the Local Accountant-General,

- (2) He shall submit to the Accountant-General as soon after the end of the month as possible, a cash account of the transactions of the month.
- (3) On the receipts side of the cash account he should show all moneys received by him either from the treasury or elsewhere, and on the expenditure side he should show in proper order the total of each voucher or bill paid by him.
- (4) All vouchers or bills, unless they are secret or confidential, should be attached to the cash account.
- (5) Secret or confidential vouchers should be simply quoted in the cash account as "confidential voucher No. , dated , " and be sent to the Foreign Department, which on passing them shall intimate to the Accountant-General that "confidential voucher No. , dated of (officer) has been passed for Rs. ."
- (6) The Accountant-General should submit, for the orders of the Foreign Department, any ordinary vouchers, which he is unable to pass in regular course of audit. (Art. 110.)

CHAPTER 8.

LOANS AND ADVANCES.

Q. 131.—Can loans be drawn from Treasury without authority of Government? What particulars should the memorandum presented at the Treasury contain when the loan is repaid?

A.—Loans and advances may not (excepting certain specified cases) be drawn from a Treasury without authority of Government, which authority must be quoted in the voucher upon which the amount is drawn.

In repaying a loan or advance, the memorandum presented at the treasury must state the original date and amount of the loan or advance or otherwise give sufficient particulars for its identification. If the amount repaid includes interest as well as principal, the interest must be separately specified; or if the repayment is a fixed periodical amount, including both interest and principal, the orders fixing the amount should be quoted. (Arts. 114-115.)

Q. 182.—What are revenue advances and under what rules are they made?

A.—Revenue advances include the following:—

- (1) Advances to cultivators under various Acts, such as the Land Improvement Loans Acts, 1883, or the Agriculturists' Loans Act, 1884.
- (2) Advance under special laws not coming within class (1), such as the Jhansi Encumbered Estates Act or the Bengal Drainage and Embankment Act.
- (3) Loan to landholders and notabilities, apart from the provisions of any law.
- (4) Advances for survey operations, such as for erecting boundary marks or for other expenditure on survey, which is recoverable from landholders or ryots.
- (5) Advances for special Revenue Departments, such as Salt and Excise (*e.g.*, for purchase of opium).

The special conditions to be insisted on by Local Governments when making advances to Municipalities are—

1st.—Loans may be granted only for works of public and general convenience and utility such as drainage, waterworks, bridges, &c., and not for works which are merely or mainly ornamental or convenient, such as town hall, public garden, or market place.

2nd.—A local body which has borrowed from Government may only borrow from other sources after having obtained the sanction of the Local Government concerned, which should not

be granted unless it is clearly shown that the sum lent by the Government with interest thereon is duly secured. (Arts. 119 and 121.)

Q. 183.—Describe briefly the Provincial Loans Account.

A.—Local Governments and Administrations with which provincial arrangements are in force, may grant advances coming under classes I to III of Art. 119 and loans to Municipalities and public corporations (other than Presidency corporations) out of amounts placed annually at their disposal by the Government of India. (Art. 122.)

These amounts are brought on to an advance and loan account which has been opened with each Local Government. Local Governments are also free to utilise any repayments of loans or advances during the currency of the year in making fresh loans and advances. (Art. 123.)

Interest at $3\frac{1}{2}$ per cent. a year is charged to Local Government on the mean between the outstanding balance at the commencement and the outstanding balance at the close of each year as shown in the books of the Account Office. (Art. 124.)

Q. 184.—How is interest on Provincial loans and advances adjusted in the accounts?

A.—Provincial Revenues are credited with the full amount of interest received on these loans and advances, and any sums which it may be necessary to write off as irrecoverable must be at once charged to Provincial Revenues and credited to the advance account. (Art. 124.)

Q. 185.—When a loan drawn in instalments is completely taken upon 31st March, at what date is the first half-yearly instalment in repayment of principal due?

A.—The first half-yearly instalment in repayment of principal is due on the 1st January following. (Note 2, Art. 129.)

Q. 186.—State the conditions of re-payment of all advances that fall under the category of principal loan account and what course should be followed in default of payment of interest.

A.—(a) The advances should be repaid within as short a period as possible, not exceeding 20 years but 10 years for ornamental work.

(b) The term is to be calculated from the date on which the loan is completely raised or declared by the Local Government to be closed.

(c) It will be optional with each Local Government and Administration to fix its own dates for the payment of the instalments.

(d) Instalments paid before the due date will be taken entirely to principal, unless, of course, any interest for a preceding period is overdue.
(Art. 129.)

Any default in the payment of interest, upon a revenue advance, class III, or upon a loan to a public corporation, or in the repayment of the principal of any such advance or loan, should be promptly reported by the Account Department to the Local Government, and if the loan was sanctioned by the Governor-General in Council, and does not belong to the Provincial Loan Account, to the Supreme Government. A Local Government receiving such a report should immediately take steps to remedy the default, and in the case of a loan sanctioned by the Governor-General in Council which does not belong to the Provincial Loan Account, should immediately explain the circumstances to the Government of India in the Home Revenue or Public Works Department, as the case may be, and report the steps so taken.

A penal rate of compound interest, not less than 6 per cent. per annum, should be enforced, as far as the law allows, upon all overdue instalments of interest or principal and interest.
(Art 130.)

Q. 137.—What voucher should accompany with returns of Revenue advances made to Revenue authorities ?

A.—With every return of revenue advances made to the Revenue Authorities, a memorandum should be submitted, setting forth the figures of the treasury plus and minus account, and agreeing them with the figures of the return. (Art. 133 a.)

Q. 138.—State the rules laid down as to the adjustment of irrecoverable revenue advances.

A.—(a) Any irrecoverable advances coming under the Provincial Loan Account may be written off under the orders of the Local Government. Any Local Government has power to remit advances to cultivators, which are found to be irrecoverable.

(b) It shall be the duty of the Revenue Authorities, as soon as any advance is ascertained to be irrecoverable, to cause the amount of it to be written off the accounts of revenue advances, and to advise the Accountant-General, in order that he may charge off the amount as expenditure and direct its being written off the treasury plus and minus memorandum.

(c) Irrecoverable advances should nevertheless be registered by the Revenue Authorities in a separate account or record, in order that any possible eventual recovery may be made; but they will not affect the treasury plus and minus memorandum, and any recoveries will be taken as revenue. (Art. 134).

Q. 139.—In what circumstances may advances for (1) building purposes be granted and how are they to be repaid?

A.—(1) Advances may be made, under the sanction of Local Governments and Administrations to officers who desire to build houses, at places where no houses are available, or, where house-rent is exceptionally high.

(2) All such advances must be *bond fide* required for the purpose of building suitable houses for the personal residence of the officers concerned, and if more is advanced than shall be actually expended for the purpose the surplus shall be refunded to Government.

- (3) The advances may be made in instalments, when considered desirable, and when so made, repayment shall commence from the fourth issue of pay after the first instalment is taken, but, when the advance is taken in one instalment, repayment shall commence with the second issue of pay. The repayment of the whole advance shall in both cases be completed in two years.
- (4) No advance shall exceed six months' salary of the officer to whom it is made.
- (5) Recovery will be made by the Treasury Officer, or other disbursing officer, deducting monthly instalments equal to one twenty-fourth part of the advance from the salary bills of the officer concerned.
- (6) In order to secure Government from loss consequent on an officer dying or quitting the service before complete repayment of the advance, the house so built, together with the land it stands upon must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount of the advance.
- (7) An officer will not, under any circumstances, be allowed a second advance whilst any amount remains due on a previous advance. (Art.136.)

Q. 140.—What amount of advance can be paid to an officer under order of transfer: and how is that advance to be recovered?

A.—To an officer under orders of transfer, advance may be made to an amount not exceeding one month's pay, and also not exceeding the amount of expenditure which he is likely to incur by reason of his transfer, or to an amount not exceeding the travelling allowance to which he may be entitled under the rules in consequence of his transfer, when this exceeds one month's pay.

Such advances may be sanctioned by any officer who is not lower in rank than the principal Divisional Officer in the Department concerned.

The recovery should be effected from the salary of the officer in three equal instalments. (Art. 137 b).

Q. 141.—How are officers commanding ships of the Indian Marine Department furnished with funds for petty contingencies?

A.—Officers commanding ships of the Indian Marine Department, will be furnished with warrants, on presentation of which accompanied by a requisition in duplicate, they may draw from the civil treasury such sums as they may require for the pay of the officers and crew, and for petty contingencies. The Treasury Officer will note the advance on the warrant, which he will return to the Officer receiving the money, and will forward the original requisition to the Examiner of Marine Accounts, Bombay, keeping the duplicate duly receipted, as the voucher for his Treasury Cash Account. (Art. 138.)

CHAPTER 9.

BILLS AND REMITTANCES.

Q. 142.—Explain "Remittance Transfer Receipt." What is the difference between a "Remittance Transfer Receipt and a supply bill"?

A.—A Remittance Transfer Receipt is an order of payment from one Treasury upon another and is only payable to or on the receipt of the person named therein as payee.

A Remittance Transfer Receipt is not transferable, and not negotiable, a supply bill is transferable and according to its form the right of the owner can be transferred to another by endorsement.

Supply bills are issued for purposes of resource and when they are advertised as available at any Treasury, they may be

obtained on application at the rates mentioned in the advertisement. A supply bill cannot be exchanged while a Remittance Transfer Receipt can. (Arts. 139 and 141.)

Q. 143.—Describe the nature and use of supply Bills and R. T. R. ?

A.—Orders from one Treasury upon another Treasury can be obtained in two forms :—

(1) Supply bills, (2) Remittance Transfer Receipt.

The forms are issued for purposes of resource, and when they are advertised as available at any Treasury, they may be obtained on application at the rates mentioned in the advertisement. The latter are issued only under special conditions as stated in Chapter IX—*vide* Arts. 142, 144 (Art. 139.) A supply bill is transferable but cannot be exchanged. A Transfer Receipt can be exchanged but is not transferable, (Arts. 148, 141.)

Q. 144.—What is the general limit up to which Remittance Transfer Receipts may be granted ?

A.—No R. T. R. should be granted for less than Rupees 5 save for public purpose, or when it is required for a sepoy's remittance and the limit of transfer receipts obtainable for private purposes is, in all cases but that of a sepoy proceeding on leave, the amount of a month's pay and allowance of the remitter. (Art. 142.)

Q. 145.—How does a Remittance Transfer Receipt differ from a Supply Bill? What procedure has a Treasury Officer to observe in issuing a Remittance Transfer Receipt.

The R. T. R. are issued for purposes of resource, and, when they are advertised as available at any Treasury they may be obtained on application at the rates mentioned in the advertisement. The supply bill are issued under special conditions as stated in Articles 142 to 144. The difference between these is that the former is negotiable but not exchangeable while the

latter is non-transferable but exchangeable. The Treasury Officer should satisfy himself as to the validity of the requisition, i.e., application for issue of R. T. R., he then should note the requisition quoting the purpose and authority in the District issue register and then the bill will be drawn up with the advice for the Treasury drawn on—he should then see that the amount of the bill has been duly credited and shown in the list of bills issued (Local or Foreign) and the total of these lists in which the item in question is included has been correctly carried to the cash book.

Q. 146.—Who are those Military Officers that are allowed to issue Remittance Transfer Receipt on Civil Treasuries?

A.—(1) Military Paymasters and Pay Examiners.

(2) Superintendent of Family Payments and Pensions, Madras.

(3) Field Pay Master with an Expeditionary Force.
(Art. 144.)

Q. 147.—Can a Collector under any circumstances obtain a R. T. R. for private purposes? Is there any limit to the sum for which such a receipt can be granted?

A.—Collector can obtain a R. T. R. for private purposes for payment of Land Revenue and Cesses, to persons having to pay land revenue and cesses in another district, when the amount to be remitted exceeds Rs. 150 on payment of premium.
(Art. 143, 18.)

A single T. R. only can be granted to one remitter for each instalment. (Art. 143.)

Q. 148.—Mention the three cases in which Remittance Transfer Receipts may be issued at a premium in the Civil Department, giving the premium to be charged in each case?

A.—*Somali-Coast.*—To Government employees on the Somali Coast to the extent of their monthly pay and allowances at one per cent. premium, there being no money order office available to them.

Trust-Funds.—To Government officers in favor of the Comptroller-General or the Accountants-General, Madras and Bombay, for the purchase of Government Promissory Notes out of funds held in trust, at the following rates of premium:—

	As.
For every Rs. 50 or fraction thereof up to Rs. 1,000	8
Do. Rs. 100 do. in excess of Rs. 1,000	
up to Rs. 20,000	8
For every Rs. 100 or fraction thereof in excess of	
Rs. 20,000 up to Rs. 50,000	4
For every Rs. 100 or fraction thereof in excess of	
Rs. 20,000	2

Land Revenue and Cesses.—To persons having to pay land revenue and cesses in another district, when the amount to be remitted exceeds Rs. 150, on payment of premium at the following rates:—

	Rs.	As.
For sums exceeding Rs. 150 and not exceeding		
Rs. 500	1	8
Do. Rs. 500 and do. Rs. 1,000	2	0
(Arts. 143 16, 17 and 18.)		

Q. 149.—In what cases and on what conditions may Transfer Receipts be used for remitting—

- Pay and allowances.
- Land revenue and cesses.
- Subscriptions for a public or *quasi*-public purpose.

A.—(a) When the transfer receipts are obtainable for private purposes; the limit in this case is the amount of a month's pay and allowances of the remitter. (Art. 142.)

(1) Police.—For subordinates when absent from their districts on duty. But not more than one transfer receipt may be given in the same month in favor of the same subordinates. (Art. 143 b.)

- (2) *Survey and Settlement*.—For subordinates, when serving at a distance from the survey parties to which they are attached. (Art. 143 d.)
- (3) *Vaccination*.—For native superintendents and vaccinators deputed on duty to a distance from head-quarters. (Art. 143 f.)
- (b) To persons having to pay land revenue and cesses in another district, when the amount to be remitted exceeds Rs. 150, on payment of the prescribed rate of premium. A single transfer receipt only can be granted to one remitter for each instalment. (Art. 143 18.)
- (c) Any Local Government and any department of the Government of India desiring to facilitate the collection of such subscriptions may allow the issue of one transfer receipt a month from any District Treasury to the Local Secretary or Treasurer of the fund or Institutions for the purpose of remitting subscriptions to any Central Body. (Art. 143 7.)

Q. 150.—When may a duplicate be issued of a Remittance Transfer Receipt, or when may it be cancelled and refunded? State the procedure in either case?

A.—When satisfactory evidence has been given that a transfer receipt has been either lost or destroyed and application is made within a reasonable period after issue, and of course, therefore, before it has lapsed, a duplicate may, without reference to the Accountant-General, be granted to the party who obtained the original, or to the payee, or the legal representative of either, but to no other person. If the bill should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee. (Art. 145.)

All bills being surrendered, a bill may be cancelled and its amount refunded at discretion of the Treasury officer, on the

application and receipt of the remitter in the case of a public transfer receipt and of the payee in the case of a supply bill or private transfer receipt. If in either of the latter case the receipt of the payee cannot be obtained, the remitter's application for cancellation, with explanation of the reasons for his request and of the difficulty in the way of obtaining the payee's signature, should be submitted for orders of the Accountant-General. Although no difficulty should be made about cancellation of public service transfer receipts, it must be clearly understood that either of the other classes can be cancelled only as an indulgence, and for cause shown. (Art. 147.)

Q. 151.—What are the cross-checks to be applied by Treasury officers to the several documents connected with bills issued ?

A.—The several advice lists and the district issue registers check one another directly ; the total of each general list must agree with the total of the advice lists for that class, and this agreement should be at times tested by the Treasury officer himself ; the total of each general list should, day by day, be compared with the credit in the cash book ; and, lastly, the issue of forms should be checked by the number of entries in each pair of general lists.

Q. 152.—State the rule regulating the issue of Remittance Transfer Receipts to officers in Civil employ for the purpose of remitting pay elsewhere ?

A.—The remittance of pay and allowances is not ordinarily a *bonâ fide* public purpose. The following are cases in which their remittance is specially permitted :—

Forest.—For subordinates of other Circles attached to the Forest School Circle, N. W. P.

Police.—For subordinates when absent from their district on duty. But not more than one transfer receipt may be given in the same month in favour of the same subordinate.

For remittance of pay of Gurkhas of the Burma Military Police on sick leave in Nepal and in special cases on good cause being shown to men on furlough in Nepal.

Salt Department.—For officers and subordinates of the Internal Branch, Northern India, Salt Department.

Survey and Settlement.—For subordinates when serving at a distance from the Survey Parties to which they are attached.

Thuygee Department.—For Najeeds and approvers as well as for Inspectors and other officers above those grades, deputed on duty to a distance from head-quarters.

Vaccination.—For Native Superintendents and Vaccinators under similar circumstances. (Art. 143, I (a 2).)

Q. 153.—Give three instances in which a Remittance Transfer Receipt may be issued in the Civil department (a) at par and (b) at a premium.

A.—Civil Department at par.

i. *Vaccination.*—For Native Superintendents and Vaccinators.

ii. *Family Remittances.*—To Native Officers and men of the Police Battalions and Police Constabulary, &c.

To families of Certain Native State Prisoners in Central India.

iii. *Countess of Dufferin's Fund.*—For remittances to the Fund, or to any branch of it. (Art. 143 (a) 2 (f), 5 (a and b) and 8.)

(b) *At Premium.*

1. *Somali Coast.*—To Government employees on the Somali Coast to the extent of their monthly pay and allowances at one per cent. premium, there being no money order office available to them.

2. *Trust Fund.*—To Government officers in favour of the Comptroller-General or the Accountants-General, Madras and Bombay, for the purchase of Government promissory notes out of funds held in trust.

3. *Land Revenue and Cesses.*—To persons having to pay Land Revenue and Cesses in another district, when the amount to be remitted exceeds Rs. 150. (Arts. 143 to 16, 17 and 18.)

Q. 154.—Whose permission should be obtained to issue duplicate supply bills. Can these supply bills be presented at any length of time?

A.—When satisfactory evidence has been given that a bill has been either lost or destroyed, and application is made within a reasonable period after issue, and of course, therefore, before it has lapsed, a duplicate may, without reference to the Accountant-General, be granted to the party who obtained the original, or to the payee, or the legal representative of either but to no other person. If the bill should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee; the issue of this certificate will, of course, be no bar to the payment of the lost bill, if presented before the duplicate is paid. (Art. 145.)

Q. 155.—On what condition may a bill be cancelled and refund be made of its amount?

A.—No bill can be cancelled without surrender of the whole set. Thus if a duplicate or a triplicate have been issued, the bill can be cancelled only if the original, *together with* the duplicate (and the triplicate if issued) be surrendered. Consequently no refund can be made on a lost bill; a duplicate must be obtained and payment taken at the treasury drawn on. (Art. 146.)

All parts being surrendered, a bill may be cancelled, on the application and receipt of the remitter in the case of a public service transfer receipt and of the payee in the case of a supply bill or private transfer receipt. If in either of the latter cases the receipt of the payee cannot be obtained, the remitter's application for cancellation, with explanation of the reasons for his request and of the difficulty in the way of obtaining the payee's signature, should be submitted for orders of the Accountant-General. Although no difficulty should be made

about cancellation of public service transfer receipts; it must be clearly understood that either of the other classes can be cancelled only as an indulgence and for cause shown.

No premium which has been levied can be refunded; but if, under any very particular circumstance, it is thought advisable to cancel a supply bill on which discount has been allowed, the amount of discount must be deducted and no more refunded than the net amount received on the bill. (Art. 147.)

Q. 156.—What is a Remittance Transfer Receipt? When may a T. O. grant such a receipt in exchange for one drawn on him?

A.—A R. T. R. is an order from one Treasury upon another under special conditions for public purposes (*vide* Arts. 142, 144.). They are generally granted to Civil and Military Departments at par and premium. A R. T. R. is not transferable but can be exchanged. (Arts. 139, 141, 143, C. A. C.)

A T. O. will grant a transfer receipt in exchange for one drawn on him.

If on the *public* service, only if the payee be a public officer and require the receipt to be exchanged for reasons to be stated in his application.

If for a private remittance, only if the payee have been removed to the neighbourhood of a Treasury different from that originally drawn on. (Art. 148, C. A. C.)

Q. 157.—By what rules are Remittance Transfer Receipts to Sepoys and Policemen regulated and state all that you know in connection with it?

A.—In the case of Sepoy's and Policemen's remittances, Commanding Officers will forward the Remittance Transfer Receipts to the payees direct. Descriptive rolls of the payees, duly filled in and signed, will at the same time be sent to the Treasury officers concerned. (Art. 149.)

These Remittance Transfer Receipts are payable to the parties described in the roll. In cases of doubtful identity,

payment may be made on security at the discretion of the Treasury Officer. (Art. 150.)

If a Sepoy payee be unable to attend the Treasury but have endorsed the receipt, or in the case of demise of such payee; the payment may be made to the Adjutant of the Regiment. (Art. 151.)

These Remittance Transfer Receipts if not presented for payment at the expiration of six months from the date of issue should be considered as cancelled, and if they are presented after that period payment should be refused. Transfer receipts which have thus become uncurrent will be returned by the payee to the drawer for the issue of a fresh receipt, or for the refund of the amount, as may be required. (Art. 152.)

CHAPTER 10.

BUDGET.

Q. 158.—On whom does the burden of proving the correctness of the budget estimate rest?

A.—The responsibility of the budget estimate lies with the Local Government, and they are accepted by the Government of India as the estimates, not of the Local Accountant-General, but of the Local Government and for any error of failure in the estimates the Local Government is primarily accountable. (Art. 153.)

Q. 159.—State all that which is required of the head of an establishment relative to the charge of his fixed establishment in the preparation of the budget estimate?

A.—What are called fixed establishments are not irrevocably fixed for all time and should be brought under the formal review of heads of departments, from time to time; even when there is no thought or intention of making any change in establishments, it would still seem to be desirable that heads of departments should review the entire estimate of the requirements of their departments. (Note 1 to Art. 154.)

Q. 160.—What are the rules that should be attended to the preparation of the budget estimate?

A.—The following are the chief rules for the preparation of the Budget estimate :—

- (1) It should be for what is expected to be actually received or paid during the year, including the arrears of past years. In no cases are net receipts or net charges to be entered, but the gross transactions in full.
- (2) For fixed charges the detailed estimate should show the full amount of the sanctioned scale (in the case of progressive salaries, the actual salary which is being earned on 1st April of the year for which the estimate is made, without reckoning any future increments) and where it is found by experience, that a saving will arise from absence or other cause a lump deduction may be made.
- (3) The columns of numbers must be carefully checked; the rate of pay should be stated whenever possible in order to admit of verification with the column of charge.
- (4) For all fixed recoveries and fixed payments, other than establishment charges, the sanction fixing the amount should be quoted.
- (5) Opposite every item of fluctuating charge such as travelling allowance, contingent charges, official postage and the like, note in red ink should be made of actual expenditure of each of the 3 previous years, together with a brief explanation of any abnormal variation.
- (6) The estimate of receipts and varying charges should not be merely an arithmetical average of 3 years' figures. The average is a guide, but it should not be taken absolutely.

- (7) No new charge may be included in the budget until sanctioned by competent authority.
- (8) Every department will provide for the whole receipt and charge with which it deals finally.
- (9) As charges for the freight paid in India or stores received from England will be borne by the Department against which the cash of the stores is charged in the home accounts, provision will be made in the departmental estimate. (Art. 155.)

Q. 161.—Distinguish between—

- (i) ' Budget Grants ' and ' Sanctions ' ;
- (ii) ' Budget Estimate ' and ' Revised Estimate. '
- (iii) How should *Progressive Salaries* be reckoned in the Budget Estimate ?

A.—(i) *Budget grants* are those that are prepared and submitted by the heads of departments.

Budget Sanctions are, the grants that have been sanctioned by the Government of India.

- (ii) *Budget estimate* is the estimate that is prepared by the heads of officers. Revised estimate is the estimate authority ordering its acceptance.
- (iii) In the case of progressive salaries, the actual salary which is being earned on 1st April of the year for which the estimate is made, without reckoning any future increments, should be made in the Budget estimate. (Art. 155 b.)

Q. 162.—What does the Accountant-General do on receiving the Budget Estimate notes from the Comptroller-General ?

A.—The Accountant-General on receiving the Budget notes from the Comptroller-General will revise the budget figures and work out the grants for Civil Departments as finally sanctioned. He will then send advises to all disbursing

and controlling officers shewing the amounts allowed for contingencies and fluctuating expenditure of every office. (Art. 156.)

Q. 163.—Can a charge requiring special sanction be paid on the ground that it has a provision in the budget ?

A.—No. The fact of a charge which required special sanction having been included as passed in a budget is no authority for its payment. But there must be a special sanction. (Note 1 to Art. 156.)

Q. 164.—How is the expenditure not provided for in the sanctioned budget to be dealt with ?

A.—Expenditure which cannot be met from the grant made at the beginning of the year for the service of the department to which it appertains requires, *ipso facto*, and a part from all other rules, the sanction of Government. Every application for such sanction should be accompanied by a statement in Form 17, showing how the expenditure is proposed to be met. A copy of this statement should be forwarded by the sanctioning authority, together with the order of sanction, to the Audit officer. Where re-appropriation is made for an existing grant, the audit office will conduct the audit against the reduced grant. (Art. 158.)

Whenever, therefore, a proposition is made under Art. 158, the fact that provision has not been made for the desired expenditure in the estimates should be prominently set forth, as well as the particular reasons why it is, nevertheless considered indispensably necessary that the outlay should be immediately incurred, and should not be postponed to the next financial year. Explanations should also be invariably given why the need for the expenditure was not foreseen in time to obtain sanction for its inclusion in the estimates. (Art. 160.)

Q. 165.—What are the points to be clearly set forth when proposing expenditure for which no provision has been made in the estimates of the year ?

A.—When proposing expenditure for which no provision has been made in the estimates of the year, the fact that

provision has not been made for the desired expenditure in the estimates should be prominently set forth, as well as the particular reason why it is, nevertheless, considered indispensably necessary that the outlay should be immediately incurred and should not be postponed to the next financial year. (Arts. 159 and 160.)

Q. 166.—State the rules as to “inevitable payments” which are not provided for in the budget estimate ?

A.—The want of provision in the estimate does not operate to prevent payment of any sums really due by Government, nor the want of sanction to prevent record of any actual payments.

Money indisputably payable should never be left unpaid ; and money paid should under no circumstances be kept out of the accounts a day longer than is absolutely necessary (Arts. 161 and 162.)

CHAPTER 11.

GOVERNMENT SECURITIES IN TRUST.

Q. 167.—What is the rule regarding the custody of Government Promissory notes held by a Government Officer in his official capacity ? Are there any exceptions to the rule ? If so, mention them.

A.—When Government promissory note are deposited with a Government Officer, the depositor should, after, drawing all interest due up on them at the time, endorse them to such Government Officer, who should forward them for custody to the Account Officer of the department concerned with each despatch of notes, a covering list in duplicate is to be sent. But the following are exceptions to this rule.

(1) Securities likely to be returned within twelve months.

(2) Securities vested in a Treasurer of Charitable Endowments under Act VII of 1890.

- (3) Securities vested in a Bishop or Archdeacon.
- (4) Securities deposited with a High Court, the Chief Court of Punjab, or the Court of Recorder of Rangoon.
- (5) Securities deposited in the Indore Residency Treasury by Native Chiefs of Central India.

Q. 168.—What course should be adopted if it is desired that interest should be drawn during the period of deposit?

A.—If it is intended to draw interest on the notes during the period of deposit, they should before despatch, be re-endorsed by the Government officer receiving them to the Accountant-General, Madras or Bombay, or to Comptroller-General as the case may require. Such notes will be converted into stock of the loans to which they severally appertain. The interest falling due upon the stock will be remitted periodically to the Account officers concerned by whom it will be distributed among the depositors. (Art. 166.)

Q. 169.—How are notes deposited for temporary purposes to be dealt with?

A.—When notes are deposited as security for temporary purposes for more than one year, and it is not the wish of the depositor to draw interest while they are thus deposited, the Government Officer receiving them should not re-endorse them but simply forward them for custody to the Account officer. They will not be converted into stock, but kept without any change, and delivered upon an expiry of the period of deposit. No accounts will be kept, no interest will be drawn and no fees will be charged. (Art. 167.)

Q. 170.—A person wishes to purchase Government Promissory Notes out of funds which he holds in trust. What should he do?

A.—When an officer wishes to purchase a note out of any funds which he holds in trust, he should obtain in favour of the Comptroller-General or the Accountant-General, Madras or Bombay, as the case may be, a transfer receipt, see Art. 143—1 (17) for the amount of the market value plus 5 per cent. to cover

any payment that may be necessary for interest due on the notes as well as the commission of $\frac{1}{4}$ per cent., mentioned below. The transfer receipt and application may be sent direct to the Comptroller-General or Accountant-General, Madras or Bombay, as the case may be, who will send the notes when purchased, together with an account and an order for the balance to be refunded. (Art 169, C. A. C.).

Q. 171.—What should an account officer who holds securities in Trust do?

A.—Every Account officer receiving notes for custody is required to publish yearly a list of the notes in his custody. Every *ex-officio* holder of a note should watch for this publication and bring to notice any omission or error in which he is concerned. (Art. 171.)

Q. 172.—What are the rules regulating investments in Government Securities of funds held in trust by public officer for public or *quasi*-public purposes or on behalf of Government?

A.—(1) Subject to the exception referred to in Rule 3 all investments in securities of trust funds held by a Government Officer for a public or *quasi*-public purpose, shall vested into Government pro. notes.

(2) All trusts shall stand in two names, and instead of the personal name of an officer of Government, his official designation shall, if possible, be employed.

(3) If owing to any legal or other difficulty the above orders cannot be carried out, the facts of the case should be reported to the Local Government, and the Local Government should, by special orders, make such arrangements as may be necessary to protect the interests of Government and to secure the safety of the Trust Funds or securities, (Art, 173.)

CHAPTER 12.

CHARITABLE ENDOWMENTS.

Q. 173.—Who are Treasurers of Charitable Endowments? How are properties belonging to such Endowments vested in them?

A.—The Accountant-General or the Comptroller of a territory and Coorg.

The Accountant-General, Madras, Madras Presidency.

Ditto Bombay, Bombay Presidency.

Ditto Bengal, Lower Provinces.

Ditto N. W. Provinces } N. W Pro-
and Oudh. } vinces and
Oudh.

Ditto * Punjab, Punjab.

The Comptroller, Central Provinces, Central Provinces.

Ditto Burma, Burma.

Ditto Assam, Assam.

(Art. 175.)

When the Local Government has passed an order vesting any property in the Treasurer of Charitable Endowments, the title deeds, or if the property consists of securities, such securities, should be forwarded to him. The vesting order of itself operates to transfer the securities to the Treasurer, and there is no necessity for the endorsement to him by the previous holders. (Art. 176.)

Q. 174.—What are the fees payable relating to property vested in the Treasurer of Charitable Endowments and how are they collected?

A.—(1) In the case of securities for money—

(a) For the purchase and sale of securities, a commission of one-eighth per cent. in addition to any actual outlay or brokerage.

(b) For drawing interest, a commission of one-fourth per cent.

(c) For remitting interest, the actual charges incurred.

(2) In the case of property other than securities for money, the actual charges incurred by the Treasurer in the discharge of his functions in respect of the property.

The Treasurer may deduct any fees payable to the Government on account of any endowment from any money in his hands on account of such endowment. If he holds no such moneys, the amount should be claimed from the administrators. (Art. 177). •

CHAPTER 13.

INTEREST ON GOVERNMENT PAPER.

Q. 175.—How is interest on Government Pro. notes made payable at any Treasury in India?

A.—Interest on securities of the Government of India can be made payable at any Indian Treasury on the application to the Public Debt Office, Bank of Bengal, Calcutta. The note must be forwarded with the application, and will be returned enfaced for payment as desired. (Art. 178).

Q. 176.—What are the chief points that should be observed by a Treasury Officer before making the transfer for payment of interest on a Government security to Presidency Banks?

A.—Before making the transfer the Treasury Officer will see (1) that the note is enfaced for payment of interest at his Treasury and is entered on his register, (2) that the application is made by the holder, (3) that there are vacant spaces on the back of the note for endorsements and for noting interest payments, and (4) that there is space on the face of the note for the order for transfer. (Art. 178 a.)

Q. 177.—Describe the procedure to be followed in the payment of interest on Government Promissory Notes?

A.—On presentation of a Government security for the realisation of interest due, it is necessary to see that it has been duly enfaced for the payment of interest at the Treasury, and that advice of the same has been received and registered. Interest should not be paid on a Government Security unless duly enfaced; also if the superintendent's endorsement, mentioned in Art. 178, is not on the note, the Treasury Officer cannot pay interest, but must return the note to the Public Debt Office, in order that the omission may be supplied. Also, if interest has been left undrawn for many years and no satisfactory explanation of this is offered, further interest should not be paid without a special reference to the Public Debt Office to ascertain that there is no objection to such payment. (Art. 182.)

Q. 178.—What are the Chief conditions subject to which payments of interest on Government Promissory Notes are made at a Treasury?

A.—*Vide Ans. to Q. 176—supra.* (Art. 182.)

- (1) That the person to whose or to whose agent's receipt payment is made, is either the person in whose name the note was originally issued or one who derives his title from the said person by a regular chain of endorsements of the form described in Article 184 (*Vide Ans. to Ques. below.*)
- (2) That all the endorsements upon the note whether of transfer or of payment of interest are clear and distinct; that there are no cross-endorsements and there remains room for a clear and distinct endorsement for renewal and for interest accrued.
- (3) That the note itself is not mutilated or torn, (Art. 182.)

Q. 179.—State the conditions under which interest on Government Promissory Notes may be paid at Mofussil Treasuries. Mention the points to which a T. O.'s attention is necessary when interest is claimed on a Promissory Note which has been endorsed to a new owner since the last payment of interest?

A.—Payment at Mofussil Treasuries of interest upon Promissory Notes of the Government of India is made subject to the following conditions, that is to say :—

- (1) That the person to whose, or whose agent's receipt payment is made, is either the person in whose name the note was originally issued, or one who derives his title from the said person by a regular chain of endorsements of the form described below.

Pay to C D.
(Sd.) A. B.

Pay to C. D. or order.
(Sd.) A. B.

(Art. 184.)

- (2) That all the endorsements upon the note, whether the transfer or of payment of interest, are clear and distinct, that there are no cross-endorsements, and that there remains room for a clear and distinct endorsement for renewal and for interest accrued.

- (3) That the note itself is not mutilated or torn.
* (Division into an upper and a lower half does not reckon as mutilation if the two halves are firmly rejoined.) (Art. 183.)

When interest is claimed on a Government Promissory Note, and it is found that the note bears an endorsement showing that it has been transferred to another owner or that a new signature is appended to the receipt for interest, attention must be given to the following points :—

- (a) The note may have been endorsed by its former owner.

If the endorsement be in English, it will be enough to see that there is no reason to question the signature.

If the endorsement be in any native language, under it should be written a full and literal translation in English.
(Art. 186.)

If the endorsement bears the signature of a native female, it must be attested by the signature of two respectable witnesses, who must appear before the T. O. (or a Sub. T. O. who is qualified to take and record evidence, provided that he is not a mere ministerial officer, or before a Justice of the Peace) to testify the genuineness of the endorsement. Such officer should authenticate the examination in the following form:—

“ Examined before me.”

(Sd.) A. B,
Treasury Officer.

. (Art. 187.)

(b) The note may have been endorsed by the attorney of the former owner. In this case the T. O. is to refuse payment of interest and to require the claimant, if he desires such payments to be continued, to have the note renewed in his own favour. (Art. 189.)

(c) It may have been endorsed by the heir, executor, or administrator of an estate.

In this case the T. O. will also refuse payment of interest, unless the claim is supported by a certificate under the Succession Certificate Act of 1889, or a probate or letters of administration granted by a competent Court, under the provisions of the Indian Succession Act of 1865 or the probate and Administration Act No. V of 1881. The T. O. must register such certificate, probates or letters of administration (Art. 215) and enter them on the reverse of the note, immediately under the endorsement, to the validity of which they are to testify, care being taken that a certificate to realize interest only is not admitted in support of a transfer endorsement. (Art. 190.)

NOTE.—If a promissory note is purchased by the Executor or Administrator of an Estate in his own name and the endorsement describes him as Executor or Administrator, interest can be paid to his receipt without any other authority.

Q. 180.—What documents should be filed with an application for transfer of Government Promissory Notes by a person claiming them by virtue of survivorship?

A.—In ordinary circumstances, and unless the right is openly and expressly disputed, property in promissory notes, standing in or endorsed into the names of more than one proprietor lapses to the survivor or survivors; but in all cases in which a joint-proprietor of a note is stated to have deceased, proof of decease, either in the shape of a solemn affidavit or affirmation of the knowledge of such decease, made by respectable and uninterested parties before a Justice of the Peace or other judicial officer, or in the shape of a burial certificate, copied from the usual registers and attested by the proper authority, or certificate of death or other satisfactory evidence should be required to be produced and when produced should be registered, and entry made on the note, in the following form, below the signatures of the survivors:—

“Proof of death of ———, registered No. ——— of ———.”

(Signed) A. B.,
Treasury Officer.

(Art. 198.)

Q. 181.—What are the points the Treasury officer is required to note before payment is made in the following cases:—

- (a) When an endorsement is made by a native female?
- (b) When a note is blank endorsed?
- (c) When the interest is claimed by joint holders?
- (d) When the endorsement is made to a new owner in a native language?
- (e) When a note is endorsed by the heir, executor or administrator of an estate?

A.—(a) Whether such endorsement is attested by at least two respectable witnesses who must appear before the Treasury officer to testify to the genuineness of the endorsement. Such officer should authenticate the examination. (Art. 187.)

- (b) The holder thereof will be required to specially endorse the same before submitting it for payment of interest.
- (c) If a written authority by the joint holders to give a discharge on behalf of the others is produced. (Art. 197.)
- (d) If a full and literal translation in English is written under the endorsement in any native language. (Art. 186 a.)
- (e) If the claim is supported by a certificate under Act VII of 1889, or a probate or letters of administration from a court of competent jurisdiction within whose limits and jurisdiction the deceased's estate is situated. (Art. 190.)

Q. 182.—What are the rules regulating investments in Government securities of funds held in trust by public officers for public or *quasi*-public purposes, or on behalf of Government ?

A.—(1) Subject to the exception referred to in rule 3, all investments in securities of trust funds held by a Government officer for a public or *quasi*-public purpose, shall be converted into Government pro. notes.

(2) All trusts shall stand in two names, and instead of the personal name of an officer of Government, his official designation shall, if possible, be employed.

(3) If owing to any legal or other difficulty the above orders cannot be carried out, the facts of the case should be reported to the Local Government, and the Local Government should, by special orders, make such arrangements as may be necessary to protect the interests of Government, and to secure the safety of the Trust funds or securities.

Q. 183.—A Government Promissory note is presented to a Treasury Officer for renewal. State how it should be

receipted, what precautions should be taken by the T. O. and what procedure he should follow?

A.—A note tendered for renewal must be receipted on the reverse as follows:—

“Received in lieu thereof a renewed note in the name of—
with interest payable at——

Signature of Holder.

(Arts. 202, 203, 204, C. A. C.)

If a person tendering a note for renewal applies for more than one note in lieu of the note tendered, the latter must be receipted on the reverse as follows, or near thereto as circumstances will admit:—

“Received in lieu of the within two (or more) notes for——
respectively in the name of——with interest payable at——

Signature of Holder.”

(Art. 203.)

If a person tendering more than one note for renewal applies for one consolidated note in lieu of the notes tendered, the latter must be receipted as follows, or as near thereto as circumstances will admit:—

“Received in time of the within a new note in the name of——for R——by consolidation with promissory notes or note Nos.——(mentioning the numbers and the amounts of the other notes to be consolidated with it), with interest payable at ——

Signature of Holder.”

(Art. 204.)

The holder's signature should agree letter for letter with the name in the body of the note, or in the transferring endorsement as the case may be, the usual signature may be added below. (Art. 205.)

When the notes are presented to a T. O. he will despatch the notes in halves, by post registered; the upper halves should be despatched first, the lower ones being sent on receipt of acknowledgment of the upper halves. Care should be taken that the due registry in the Treasury Office of all documents

connected with transaction entered on back of the notes is correctly certified against each transaction :—

- (a) In the receipt for renewal, the name of the payee of the new note should be correctly and legibly written.
- (b) In the case of notes required in favour of a European female her condition in life (unmarried, married or widow) should be stated.
- (c) In the case of married women whose marriages were solemnized before 1st January 1866, the consent of the husband should be obtained and duly certified on the notes by the T. O. (Art. 201.)

Q. 184.—What are the rules under which Government Pro. notes may be consolidated or sub-divided ?

A.—(1) Government Pro. notes may be consolidated or sub-divided at the option of the proprietors.

(2) Notes will be issued for Rs. 100 or multiples of Rs. 100.

(3) Every note so to be consolidated or sub-divided must be endorsed by the proprietor in the forms prescribed for the purpose in Arts. 203 and 204.

(4) A fee according to the scale prescribed in Art. 206, viz. (for each note four annas per cent. if the new note does not exceed Rs. 400, and one rupee in the new note exceed that sum) is leviable upon each new note issued in consolidation or sub-division, but no fee is charged when notes of a consolidated loan are issued in exchange for those of other loans.

(5) Debentures repayable on different dates, or at different Treasuries, cannot be consolidated and notes of sicca loans cannot be sub-divided. (Arts. 212 and 213).

Q. 185.—(a) State the conditions under which Native Chiefs are allowed to convert Government Pro. notes into Notes of a special form? What are the advantages if any possessed by them over ordinary Notes?

A.—The following four conditions are allowed for Ruling Chiefs of Native States in converting Government Promissory-notes of Ordinary form into these of special form.

- (a) 1. The special notes are issued only in favour of ruling chiefs of Native States whose admission to the privilege has been sanctioned by the Government of India in the Foreign Department.
 2. Applications for notes in such form should be made to the Comptroller-General by the Political Officer resident in the State and should quote the order of Government of India sanctioning the admission of the State to the privilege.
 3. The amount of each note will not be less than Rs. 50,000.
 4. The notes are not negotiable by endorsement, but the holder can at any time obtain in exchange, if he desires notes of the ordinary form on application to the Public Debt Office, Calcutta.
- (b) The advantages of holding notes in special form are—
1. Interest upon these notes is exempt from Income Tax.
 2. The notes being issued in the name of the chief, his heirs and successors, devolve by mere succession to the Raj without legal administration.
 3. The notes are enfaced for payment of interest at any Government Treasury desired as in the case of ordinary notes. (Art. 214 a.)

Q. 186.—What are the rules regarding powers-of-attorney and what steps are taken to protect the holders of Government Promissory-notes from risk in transmitting their notes by post?

A.—Attention is required to the following rules regarding powers-of-attorney :—

- (a) Powers in favour of a house of business, without specifying the individual members at the time composing the house, are inadmissible.
- (b) Powers not in favour of A and B "jointly and severally," require that both A and B should sign in any transactions done in virtue of such powers.
- (c) General powers, i.e., powers relating to all notes standing in the name of the grantor, are not held to apply to promissory notes in which the grantor is interested jointly with others, unless they contain a special clause to that effect, or a specification of the notes. (Art. 221.)

With a view to protect the holders of Government Promissory Notes from risk in transmitting their notes by post, Treasury Officers are authorised to register the endorsements on notes presented to them for this purpose but should further warn holders of the advisability of forwarding the upper and lower halves with the same precautions as are taken by Treasury Officers in despatching notes for renewal. (Art. 222).

Q. 187.—What is the course to be followed by parties who have lost Promissory Notes and are desirous of applying for the issue of duplicate?

A.—(1) The alleged proprietor of a lost Promissory Note must advertise the loss of the note without delay, in three successive issues of the *Gazette of India* and also in the Local Government Gazette.

(2) He should further address the Secretary and Treasurer, Bank of Bengal, on the subject,

fully detailing the circumstances attending the loss of the note, and the dates and pages of the Gazette of India in which his advertisement appeared, at the same time furnishing any proof he may possess of the note having been his property. (Art. 223.)

Q. 188.—In what respect does Provincial Debenture Loan differ from Government Promissory Notes ?

A.—Interest on debentures cannot be paid elsewhere than at the places mentioned in them, whereas Government Promissory Notes may be made payable at any Treasury. (Art. 227.)

CHAPTER 14.

STOCK CERTIFICATES.

Q. 189.—What are Stock Certificates ? What are the advantages stock certificates have over Promissory Notes ?

A.—Stock certificates of debt are those which are issued from the Public Debt Office, Calcutta, in lieu of Promissory Notes, under the notification of Financial Department.

A stock certificate certifies that "A B is the registered proprietor of the advantages are Rs. of the per cent. Loan of—bearing interest from," &c.

(a) Government Promissory Notes can be converted into stock certificates and re-converted into Promissory Notes at any time, at the option of the holder.

(b) The holders of stock certificates are not required to present them in person or by agent when the interest becomes due. On application made, interest will be paid on stock certificate holders by warrants on any Government Treasury, which warrants will be sent by post, on the day the interest falls due, to the stock certificate holders direct, or through the Treasury Officer, as they may desire.

- (c) Stock certificates are not negotiable by endorsement, and are consequently of no value in the hands of a wrongful holder, and the risks arising from the possession or repeated transmission of negotiable securities are thereby avoided.
- (d) In the event of the loss of a stock certificate by theft, fire, &c., a fresh certificate will issue on satisfactory evidence of loss. (Art. 228.)

Q. 190.—State briefly the duties enjoined on a Treasury Officer when an application for a stock certificate is presented to him?

A.—The Treasury Officer is enjoined to give every assistance and instruction to the applicant of a stock certificate in endorsing the notes and filling up the form No. 27 as required by Art. 232 and to see that due registry of all documents in support of title to the notes or debentures be certified on the reverse. He must also satisfy himself that the person who presents the application is the person he represents himself to be. (Art. 233.)

Then he should forward the application and the note (in halves) to the Secretary and Treasurer, Bank of Bengal, Public Debt Office, in a registered cover, insured as of the value of Rs. 100. (Art. 234.)

He should also be the channel of and should facilitate, any necessary correspondence between the Public Debt Office and the applicant, so that any formal defects may be remedied, or objections raised by the Public Debt Office removed. (Art. 234.)

When the stock certificates and an interest transfer receipt are received from the Public Debt Office, the Treasury Officer must deliver the former to the applicant after entering it in a register (Form 28) and taking his receipt in the proper column. He will register the letter in a register of interest orders and he may deliver it either to the applicant in person or to his attorney or to any one sent by either of these and bearing a written and signed request for the delivery. The signature of the recipient must be obtained in the Register and payment

will then be made at the Treasury in the usual way, as on an ordinary authorized pay-order, the Treasury Officer being responsible as in the case of all other payments, that the payment is made to the proper person. (Arts. 233, 234, 235, 237.)

Q. 191.—When, how, and to whom are orders for payment of interest on stock certificates issued? What check does a Treasury Officer exercise over such orders and under what circumstances to the Public Debt Office?

A.—The interest due on the stock certificates will be sent by the Public Debt Office to the treasury, without further application, upon the due date, or it will be sent to the holder direct on his written application. It will be sent in the form of a warrant and made payable to the order of the registered proprietor.

The Treasury Officer will register the warrants which he receives in a register of Interest Orders, and he will deliver them either to the holder in person, or to his attorney (Art. 215), or to any one sent by either of these, and bearing a written and signed request for the delivery. The signature of the recipient will be taken in the register, and payment will thereafter be made at the treasury in the usual way, as on an ordinary authorised pay-order, the Treasury Officer being responsible, as in the case of all other payments, that the payment is made to the proper person.

In every case advice will have been received of the issue of the warrant and those advices must be carefully kept as in the case of advices of bills.

The Treasury Officer is not required to advise the holder of the arrival of his interest warrant; the holder should know the dates on which to expect it. But if the holder leaves the interest order unapplied for eight months, then the Treasury Officer, should return it (together with the next following one, which he will have had for two months) to the Public Debt Office and mark them off in the register as thus returned. The Public Debt Office will retain them till they are claimed. (Arts. 236 to 239.)

CHAPTER 15.

DEPOSITS.

Q. 192.—Name the different heads of deposits.

A.—The following are the different heads of deposits :—

(1) Revenue deposits.

(2) Civil Court's deposits.

(3) Criminal Court's deposits. (Art. 245.)

Q. 193.—What procedure is to be observed by a Treasury Officer in receiving money for deposit, and in what cases must he refuse to accept it for such purposes ?

A.—It is the business of the Treasury Officer to see that no item is credited as a deposit save under formal order of competent authority, and also, if the amount could be credited to some known head in the Government accounts to make representation to the court or authority to order its acceptance. No sums are to be credited in any deposit register which can be carried to any other head of account. (Art. 256).

Q. 194.—What are the items which are forbidden by the Code to be retained under this Code.

A.—The treatment of the following items as deposits is prohibited :—

(a) No pay, pension or other allowance should be placed in deposit on the ground of the absence of the payee, or for any other reason.

(b) No fines should be placed in deposit on the ground that appeal is pending ; they should be credited at once to Government, and refunded, if necessary, on order of the appellate court. (Art. 247 b.)

(c) Refunds, whether of stamp, or of other receipts can be drawn only on the appearance and on the receipt of the person entitled to them, after production of due authority ; on no account may

they be charged on the receipt of an official and lodged in deposit pending demand* (Art. 247 c.)

Note.—In a district office pay should not be drawn till the claimant appears.

- (d) The sale-proceeds of unclaimed property are not to be placed in deposit at all. (Art. 248.)

The exceptions to the above rules are the following :—

- (1) (i) The balance of the cheque for payment of Native Military Pensioners. (ii) When a pension is granted to several persons jointly, it may not be drawn on the appearance of a claimant only and payment of his reputed share made the balance being placed in deposit. (Notes. 1 and 2 to Art. 247.)
- (2) Compensation fines including cost in criminal cases due to an injured party, and not to Government, should be kept in deposit in cases subject to appeal till the period allowed for presenting the appeal has elapsed or if an appeal be presented, till it is decided. (Art. 247 b.)
- (3) The net sale-proceeds of impounded cattle are to be kept in deposit for three months, and if no claim be made within that time, are to be credited to the proper account. (Art. 248.)
- (d) The property left by persons dying intestate and without heirs will be secured and held by Civil Courts in accordance with the local law. (Clause 2, Art. 248.)
- (e) If unclaimed property be perishable and be sold because it cannot be kept its proceeds should be held for six months in deposit. (Note 1 to Art. 248.)
- (f) Money belonging to prisoners in jail should not be held for long terms by the Jail Department, but should be transferred at convenient intervals to the Magistrate for deposit. (Note 2 to Art. 248.)

- (g) Property found by, or delivered up to, a Police Officer should be made over to the Magistrate for deposit. (Note 3 to Art. 248.)

Q. 195.—State the rules with exceptions regarding the deposit of funds of *quasi*-public institutions, &c.

A.—The funds of *quasi*-public institutions, even when aided by Government, as dispensaries are, may not be placed in deposit without special sanction of Government. Nor can any jewels or other property received for custody and restoration in kind be brought on the deposit register, though the value be stated in money.

1. A single exception is made in a case where a district officer has to receive from a Native State a sum of money to be paid out to certain claimants, if the money is paid in coin of a native mint, it may be credited in the deposit register at its reputed value; repayments, which will be in the same coin, being of course charged at the same value. (Art 249)

Q. 196.—What are the limitations regarding Revenue Deposits and how are they refunded?

A.—No sums, which can be credited to any other head of account so as to make representations to the Court or authority ordering its acceptance, can be credited in any Revenue Deposit Register, for example the revenue paid to Government on account of a demand not yet due, may not be credited in the Revenue Deposit Register, but should at once be carried to the proper Budget head.

Government Promissory Notes or other security deposits (not being cash) received from revenue farmers or other contractors are not to be treated as revenue and on that account be credited in the Revenue Deposit Register.

Any person claiming a refund of a Revenue Deposit must produce an order of the Court or authority which ordered acceptance of the Deposit. The Treasury Officer will compare this order with the entry in the Register of Receipts, and, if the balance be sufficient, he will take the payee's receipt, make

register of repayments and in that of receipts, noting in both also the date and amount of the repayment. If there be not a sufficient balance at credit of the particular item, the Treasury Officer will endorse this fact on the order and return it to the person presenting it. (Arts. 246 and 250).

Q. 197.—What are the monthly Returns which a Treasury Officer has to submit to the Accountant-General in regard to transactions under Deposits?

A.—The *monthly returns* (1) An extract register of revenue deposits received has to be submitted with the cash account. 364

(2) an extract register of repayments for the whole month with vouchers must be sent with the *second* list of payments. 364

(3) a return for personal deposits, shewing the totals only of receipts and repayments on each personal ledger and the charges being supported by original paid cheques. 367

(4) the plus and minus memoranda would be sent with the monthly deposits returns. 369

The following are the annual statements:—

[*Note.*—(1) The Annual Account particulars shewing a list of the balances still outstanding of revenue deposits or more than one year's standing.

(2.) An Annual Account of lapses of deposits is submitted to the Accountant-General.]

Q. 198.—What are the two kinds of Deposits of the Military Department, and what are the rules under which a Treasury Officer may receive such deposits?

A.—(a) Earnest-money deposits, made by intending tenderers. For these no previous permission is required, but the depositor must state the name of the military officer in whose favour he makes the deposit, and that name must be stated on the receipt given by the Treasury. No part payment of the Earnest money can ever be made.

- (b) Other deposits.—They will be received only under the written authority of a military disbursing officer and they can be repaid only by cheques drawn against the assignments.

Q. 199.—What is a Clearance Register and what is its use ?

A.—In April of each year, the outstanding balances in the Receipt Registers of the second preceding year, which are not reported for lapse under Art. 255, should be transferred to a Clearance Register in form 32 with suitable changes in the heading, with a view to repayments during the next two years being recorded on it in the columns provided for the purpose. To this Clearance Register should also be transferred any items in the last preceding Clearance Register but one, that are for special reasons not allowed to lapse to Government under Art. 255, while the bulk of the outstandings in it so lapse. Old items thus transferred from one Clearance Register to a second one should be carefully watched by the District Officer, and must in ordinary course lapse at the end of two years for which the latter is current. They cannot be allowed to be carried forward to a third Clearance Register without the special sanction of the Accountant-General (Art. 253.)

Q. 200.—Explain the term Lapsed Deposit.

A.—*Lapsed Deposit*.—Deposits not exceeding one rupee unclaimed for one whole account year, balances not exceeding one rupee of deposits partly repaid during the last year, and all balances unclaimed for more than three complete account years, will, at the close of March in each year, be credited to Government by means of transfer entries in the Accountant-General's Office. (Art. 255.)

Q. 201.—When do deposits and balances of deposits lapse and are credited to Government ? What checks are prescribed to guard against second re-payments ?

A.—(1) Deposits not exceeding one rupee unclaimed for one whole account year, (2) balances not exceeding one rupee of deposits partly repaid during the last year and (3) all balances unclaimed for more than three complete account years.

Such deposits and balances at the close of March in every year are credited to Government by means of transfer entries in the Accountant-General's office.

The Treasury Officer submits to the Accountant-General, immediately after the 31st March, a list showing date of receipt, number of deposit, and balance at credit.

The Accountant-General credits such lapsed deposits or balances to Government at the close of each year. They are not repaid without his sanction which is given as a matter of course on ascertaining that the item was really received, and carried to credit as lapsed and is claimed by the proper person. The amount of a lapsed deposit refunded is charged in the cash book as a refund and not debited to deposits. But the application for refund and the payment of the deposit are recorded in the District Register of receipts so as to guard against a second payment.

The following procedure is adopted in preparing the return :-

Early in March the old registers of deposits should be taken up, and an extract made on ruled paper of those of each class which would in ordinary course, whether from age or pettiness, lapse at the end of the month. This list should then be reviewed by the District Officer, and any item, which in his opinion, should not be so dealt with, should be struck out, and at the same time (if it be an item lapsing from age) entered on the first page of the Clearance Registers for that class; full detail of the reasons why it is not to lapse being given in a covering memorandum. Similarly, if any item is repaid in the course of the month, it should be struck out of this list at the same time as the payment is entered in the registers of receipt and repayment. On the 31st March each of these lists should be again checked with the register of receipts, wherein its items should be marked off as having lapsed and been credited on 31st March, and the total of the list should be deducted in the *plus* and *minus* memorandum from the balance shown at credit of the particular class of deposits, the list itself, signed by the District Officer, being forwarded to the Accountant-General. (Arts. 255, 256.)

To guard against a second repayment, the application for refund and the payment of the deposit should be recorded in the Deposit Registers and Returns.

Q. 202.—After what period do the deposits lapse and can a lapsed deposit ever be paid?

A.—Deposits not exceeding one rupee unclaimed for one whole account year, balances not exceeding one rupee of deposits partly repaid during the last year, and all balances unclaimed for more than three complete account years, will at the close of March, in each year, be credited to Government by means of Transfer entries in the Accountant-General's Office. (Art. 255.)

Deposits credited to Government under Art. 255 cannot be repaid without the sanction of the Accountant-General, but this sanction will be given as a matter, of course, on ascertaining that the item was really received, was carried to credit as lapsed, and is now claimed by the person who might have drawn it any time before the lapse. (Art. 256).

Q. 203.—Describe the two methods of keeping Civil and Criminal Court's deposits.

A.—In the first of these, each deposit is separately paid into, and drawn from the Treasury, upon documents passed by the presiding officer and setting forth the particulars necessary for the entries in the receipt register. In this case the registers of receipt and repayment are kept and the monthly and annual returns and lapsed lists submitted by the T. O. in the manner above prescribed for revenue deposits, although the sets of the registers and returns must all be kept separate from those of revenue deposits. (Art. 257).

According to the other method, the Civil Courts and Magistrates merely bank with the treasury, remitting without detail their gross deposit receipts for credit in a personal ledger and making re-payments by cheques on the treasury which are taken to debit of the same personal account. These personal ledgers, and the corresponding accounts and returns must be kept by T. O. in the form prescribed for personal

deposits, but quite separate from those of personal deposits, proper; and they will be designated as Civil Court or Criminal Court deposits. (Art. 258).

Q. 204.—How is the agreement secured between the Treasury records of Civil Courts deposits and the records maintained by the several Courts?

A.—To prevent disagreement between the deposit figures reported to the Accountant-General by Civil Courts and by Treasury Officers it is necessary to arrange that the former shall report only completed transactions. A Civil Court does not usually receive money but give the intending depositor an order to the Treasury officer to accept it, and so though recording the issue of this order in a Court Register with sufficient detail, it will not bring the item on the deposit register till the T. O. advises receipt. Similarly it will ascertain from the Treasury at the close of the month which of its payment warrants have been cashed and detail at foot of its extract register of repayment the warrants which are unpaid deducting their total from the total of the extract.

The T. O. will furnish the Court with a daily advice list of the sums received and paid or advise the receipt and payments in a pass book as may be laid down by the Accountant-General. (Art. 263.)

Q. 205.—How is a Government loan raised?

A.—Whenever it is necessary to open a new loan, a notification is inserted by Government in all Gazettes and a general letter circulated to Treasury Officers. (Art. 265.)

Q. 206.—How is a Government loan raised?

A.—Whenever it is necessary to open a new loan, a notification is inserted by Government in all Gazettes and circulated to Treasury Officers. (Art. 265.)

CHAPTER 16.

LOCAL, MUNICIPAL AND CANTONMENT FUNDS.

Q. 207.—How is Local Fund defined in the Civil Service Regulations?

A.—When revenue derived from special sources is devoted to special objects and not to the general purposes of the administration whether Imperial or Provincial, the revenue so devoted forms a Local Fund. *(Art. 266.)

Q 208.—What are the two kinds of “Local Funds”, and explain the difference between them and give example of each.

A.—Incorporated Local Funds.

Excluded Local Funds.

The difference between an Incorporated and an Excluded Local Fund is that the receipts of, and disbursements from, an Incorporated Local Fund are incorporated in the public accounts, while those of an Excluded Local Fund are not incorporated in the public accounts.

Their registers are separate and the totals pass separately into the cash account.

Examples of Excluded Local Funds :—

Cantonment, Municipal, Port, Station and Town Funds ;

Educational, Dispensary, Hospital, and all other Trust or Endowment Funds ;

Police Remount Funds ; Persian Famine Relief Fund ;

Pilgrim's Lodging-house Fund.

Barea Tribute, Cotton improvement, Indus Conservancy and Registration Funds.

Examples of Incorporated Local Funds

1. Patwari Fund.

2. District Board. (Arts. 267—271.)

Q. 209.—What is the rule for verifying the balances of Local and Municipal Funds ?

A.—At the end of the year the Treasury Officer should verify the balances at credit of each fund, in communication with the Accountant-General on the one side, and the Officer

or committee administering the Fund on the other. The balance on the Accountant-General's books is the balance acknowledged by the Government and the Treasury Officer should follow it and not the local accounts, as his standard. (Art. 275).

Note.--Treasury Officers should, at the end of each year, obtain from the Administrative Officers concerned certificates of the balances of the different funds as worked out in the Administrative Accounts, and forward them to the Accountant-General by the 1st July each year explaining at the same time differences, if any, between those balances and that appearing in the Treasury Accounts.

CHAPTER 17.

SANCTION: POWERS OF GOVERNMENTS.

Q. 210.—What are the two main classes into which service payments on Government Account are divided ?

A.—Imperial and Provincial. (Art. 276).

Q. 211.—Whose sanction is necessary in each of the following cases :—

- (a) The creation of an appointment, the salary of which is an imperial charge and exceeds Rs. 3,000 a year.
- (b) The raising of the salary of a duly sanctioned appointment to an amount in excess of Rs. 5,000 a year whether permanently by the grant of increased fixed allowances or temporarily by the grant of fees, rewards or honoraria.
- (c) The grant of travelling and conveyance allowance.
- (d) Revisions of establishment which involve additional expenditure of more than Rs. 25,000 a year.

A.—a, b, and d. Secretary of State for India.

(c) The Government of India in the Financial Department.

Q. 212.—To what extent can a Local Government dispose of escheated estates or property?

A.—A Local Government may dispose of escheated estates or property not exceeding Rs. 1,000 in value without previous reference to the Government of India, subject, however, to the submission of an annual statement showing the cases so disposed of. (Art. 280.)

Q. 213.—Can the Local Fund authorities do, as they please, in respect to appointments, the pay of which is chargeable to Local Funds?

A.—Local bodies to whom the administration of local or municipal funds has been committed are competent,—subject to the general restrictions imposed by the Legislature or to such special reservations as the Government of India may lay down in any case (*e.g.*, that referred to in paragraph 22 of Home Department Resolution of the 18th May 1882), or with reference to any particular class of appointments,—to create, as well as to abolish, without reference to higher authority, all appointments the pay of which is chargeable to such local or municipal funds. (Art. 286.)

Q. 214.—When does a sanction for any fresh charge lapse?

A.—A sanction for any fresh charge which has not been acted on for a year must be held to have lapsed unless it is specially renewed. (Art. 293.)

Q. 215.—Can a Local Government sanction expenditure which will cause any excess over the Budget Grant for a major head which is wholly imperial without reference to the Government of India?

A.—No, but it may, however, without reference to the Government of India, sanction expenditure in excess of the Budget grant.

- (a) Under any Provincial or Local major or minor heads, provided the increase does not cause the aggregate Budget grant for Provincial and Local expenditure to be exceeded, specific

reappropriation being made as explained in Art 158.

- (b) Under major heads, divided in a fixed proportion between Imperial and Provincial, and under minor heads (subordinate to other major heads) similarly divided, provided that specific reappropriation from Imperial and Provincial grants, respectively, is made as explained in Art. 158. (Art. 295.)

Q. 216.—To whom should Accountant-General submit annual appropriation report ?

A.—To the Government of India through the Local Government. (Art. 298.)

PART II.

Treasury Procedure.

CHAPTER 18.

GENERAL PROCEDURE OF TREASURIES.

Q. 217.—Under whose general charge is the District Treasury ?

A.—The treasury is in general charge of the District Officer (Collector), who may entrust the immediate executive charge to a "Treasury Officer" subordinate to him, but he cannot divest himself of administrative charge.

Q. 218.—Into how many departments is a Civil Treasury divided and what duties appertain to each ?

A.—The Treasury is divided into two departments—that of the accounts under the charge of an accountant and that of the cash, stamps and opium, if any, under charge of the Treasurer. (Art. 300.)

The former is entrusted with the duty of the compilation of accounts while the latter with the safe custody of cash

Q. 219.—What are the chief duties and responsibilities of District officers with reference to the Treasury?

A.—The Accountant-General directs his communications regarding treasury work either to the District Officer or the Treasury Officer. The Government has repeatedly ruled that the appointment of a subordinate to the immediate charge of a Treasury in no way relieves a District Officer from responsibility. This responsibility extends not only to the security of the cash balance with the stamp and opium and the immediate detection of any irregular practice on the part of the subordinates, but also to the correctness of the returns and the punctuality of their submission, and to the implicit obedience of the Treasury Officer to the instructions issued from the account office. (Art. 301.)

Note.—The Collector is personally responsible to Government for the due accounting of all moneys received and disbursed and for the safe custody of cash, notes, stamps, securities and other Government property.

Q. 220.—What are the rules for the custody of treasure in a Treasury. *

A.—The bulk of the treasure remains under double keys of the Treasury Officer and of the treasurer, and the treasurer may not hold in his separate custody a sum larger than is necessary for the convenient transaction of the Government business, and this sum, together with the value of stamps, opium, &c., in his sole custody, must not be larger than the security given by him. This sum so held should be seen and roughly verified by the Treasury Officer every night and locked up in the vault under double locks. (Art. 304.)

Note.—A sufficient sum which should never exceed Rs. 5,000 or the day's expenditure should be placed in charge of the Treasurer for current expenditure.

Q. 221.—What is the procedure required to be observed in receiving treasure into and giving it out from double locks?

A.—The following rules must be carefully observed in receiving money into or giving it out from double locks:—

- (1) As regards specie, two different boxes (or other receptacles) must be in use at the same time, one into which the money received is placed, the other from which that required is given out. The money given out must be that which has been longest in the treasury, and each box must be completely emptied and the contents passed out before another is taken up; if the treasure is kept in piles or in a single treasure well, the Collector will record an order specifying the precise arrangement to be observed, so that all coin received may, in its due turn, pass out of the Treasury.
- (2) The money must be prepared by the treasurer for reception into double locks by being made up in bags of uniform size (Rs. 500 or Rs. 1,000, or Rs. 2,000 according to convenience of use; but one of these sizes must be selected and adhered to), and the Treasury Officer must thereafter cause the contents of each bag so prepared by the treasurer to be emptied into the scales, weighed and poured into another bag, which should be tied up in his presence. The bags thus tested should then be counted into the chest.
- (3) Notes intended for delivery into double locks should be made up in bundles in the order of receipt, the number in each bundle being stated upon the outside. They should be counted over by the officer in charge before being received.
- (4) Notes when required to be given out of double locks should be counted in detail with the same care, unless they have been made up into bundles of a fixed size, and signed (after testing as in the last rule) by the officer in charge.
- (5) Silver coin may be given out of double locks by counting the number of bags only.

- (6) Every amount passed into or passed out of double locks should be registered in the Treasurer's Daily Balance Sheet *at the time* by the officer in charge with his own hand, and a memorandum should be kept in each chest showing its contents. (Art. 305.)

Q. 222.—What books and accounts are maintained by Treasurer and what are the duties of the Treasurer regarding receipts of money into the Treasury and payment of money therefrom ?

A.—The Treasurer maintains a simple cash book in which each receipt and payment is posted at the time of making it. He will sign and immediately return to the Accountant all receipts for money received. He will stamp all payment vouchers "paid" and retain them for delivery to the account department when the books are compared. When stamps or opium have been sold, the total sales should be entered before the cash book is closed and a memorandum should be prepared and forwarded to the accountant. (Arts. 306 and 307.)

Q. 223.—What procedure is observed for the receipt and payment of money at a Treasury, and what precaution is a Treasury Officer expected to take to guard against fraud ?

A.—The memorandum with which money is presented to be paid in will be handed first to the accountant, who, if there be no objection to the receipt of the money, will sign it. Next, the person making the payment will present it with the cash to the treasurer, who will count and test the money, enter the amount in his own book and sign the slip, which will again be taken to the accountant for entry in his cash book and for the preparation of a formal receipt for the Treasury Officer's signature ; such a receipt only will be proper acquittance. If the memorandum is in duplicate, one copy should be made use of for the receipt given by the Treasury. (Art 308.)

The bill or other voucher presented as a claim for money will be received and examined by the accountant and then laid before the Treasury Officer who, if the claim be admissible,

the authority good, signature true and in order, and receipt a legal quittance, will sign the order for payment at foot of the voucher. Care should be taken that all bills and vouchers passed for payment are paid on the same day, and that no payment is made except under written order of the Treasury Officer. (Art. 309.)

It must be remembered that the Treasury Officer has to satisfy not only himself but also the Account Department, that the claim is valid and has further to prove that the payee has actually received the sum charged—see Art. 390. Careful attention must be given to the rules regarding the completion of vouchers referred to in Art. 9. The Treasury Officer must have sufficient information as to the nature of every payment he is making, and is without excuse if he accepts a voucher which does not formally record that information. (Art. 310.)

After the voucher has been completely entered in the accounts, and the order to pay signed by the Treasury Officer, it should be passed on, together with the payee, to the treasurer's department when the treasurer will make the payment and enter it in his account, which is a cash book (without subordinate registers) in which such transaction is posted as it occurs.

The treasurer will stamp the voucher "Paid" and retain it for delivery to the Account department when the books are compared. (Art. 311.)

Q. 224.—What are the rules regarding payments to persons not in Government service?

A.—The Treasury officer should see—

- (1) That the claim is submitted by the head of department or other responsible Government officer under whose immediate order the service was done.
- (2) Failing the above, an order from the Accountant-General should be sought by furnishing him with any necessary particulars for obtaining

the sanction of Government, should such be needed.

(3) That he should use special precautions for satisfying himself of the identity of the applicant for payment.

(4) And that in all doubtful cases he should take the orders of the Collector. (Art. 313.)

Q. 225.—What test is necessary for a Treasury Officer to apply to cheques and letters of credit presented for payment?

A.—When a cheque is presented, care should be taken to ascertain by examination of its printed number that it really was taken from the book notified as in use by the officer who is said to have signed it. (Art. 314.)

Every payment made on the authority of any letter of credit must, without fail, be noted against it at the time of passing it under the Treasury Officer's initials. This has been specially provided for in the case of Public Works cheques which are charged in the register of cheques paid and in the executive engineer's pass book. A similar plan may be followed for other departments, but a note must be made and a balance struck each time a check is paid at the Treasury. (Art. 315.)

Q. 226.—What are the rules regarding the payment of Letters of credit?

A.—Every payment made on the authority of any letter of credit must without fail, be noted against it at the time of passing it under the Treasury Officer's initials. This should be done either on the reverse of the letter of credit, or in Form 62 or a similar form, a note must be made and a balance struck each time a check is paid at the district treasury. (Art. 315.)

Letters of credit lapse at the close of the financial year in which they are issued, save in the cases of Public Works, Post Offices and Survey Departments. (Art. 316.)

Every item paid must at once be entered in the cash book, or in some register subsidiary thereto, and numbered in a consecutive monthly series for each register. (Art. 317.)

Q. 227.—What is a letter of credit? When does it lapse? How are payments made against it and what precautions are necessary to guard against over-payment?

A.—A letter of credit is only an authority to honour drafts, and payment can only be made on cheques drawn against it (Art. 315.) It lapses at the close of the financial year in which it was issued (Art. 316). The Treasury Officer must be careful so to record the progressive total of his payments that there may be no risk of over-payment. (Art. 315.)

Q. 228.—When do letters of credit usually lapse and what are the exceptions?

A.—Letters of credit lapse at the close of the financial year in which they were issued, save in the cases mentioned in the table below:—

Department.	Date of lapse of letter or credit.
Public Works ...	If not operated upon in the meantime six months after expiry of financial year in which issued.
Post Office ...	At close of month for which issued.
Survey ...	At end of month following the period for which issued or in the case of special letters of credit after one month from date of issue. (Art. 316.)

Q. 229.—What entries should be made in the account for sums received or paid? What items alone should find a place in the list of payments and what are the exceptions to this rule?

A.—Every item received or paid must be entered in the cash book, or in some register subsidiary thereto, and numbered

in a consecutive monthly series for each register ; and the corresponding returns for the Accountant-General should be written up.

The net cash payment only should be entered in the list of payments. The exceptions to this rule are :—

(1) In the case of Local Funds the gross amount of a voucher will be charged and the deductions credited.

(2) When a deposit is subject to abatement, the full sum must be charged and the sum abated brought to credit. (Art. 317 and note 2.)

Q. 230.—Explain the working of a sub-treasury and the method of incorporating its accounts with the District Treasury ?

A.—From the sub-treasuries a daily sheet (supported by vouchers) is received, reporting the receipts, payments and balances of the day ; and the receipts and payments after examination are to be posted from it ; on the day of receipt, into the accounts of the District Treasury in the same way as if they had taken place at it. But they do not pass into the treasurer's cash book. (Art. 320.)

Q. 231.—How are payments made at sub-treasuries ?

A.—Payments are generally made at sub-treasuries on cash orders issued by the district treasury. (Art. 322.)

From the sub-treasuries a daily sheet (supported with vouchers) is received, reporting the receipts, payments, and balance of the day ; and the receipts and payments (after examination) are to be posted from it, on the day of receipt, into the accounts of the district treasury in the same way as if they had taken place at it. But they do not pass into the treasurer's cash book (Art. 320.)

Q. 232.—What points should a Treasury Officer attend to before signing the cash account every day ? *i. e.*, closing for the day.

- A.—(1) He should compare each entry of a payment, either in cash book or in Register with the payment order ticking off each voucher as it is passed.
- (2) He should examine at least two of the totallings on each side marking the total as “examined.”
- (3) He should see that the totals are correctly carried from register to cash,—book initialling the totals as he thus compares them.
- (4) He should have the totalling of the cash book verified by himself or some principal subordinate officer other than the accountant, who should initial it as correct.
- (5) He should see twice every week that all vouchers are properly arranged. (Art. 323.)

Q. 233.—Describe briefly the process of closing Treasury Accounts for the day.

A.—The process of closing treasury accounts for the day is as follows:—

- (a) The daily total of each register will be entered in the cash book, which will then be totalled and the balance memorandum at the top of the accountant's balance sheet will then be drawn up. To the Account balance thus brought out, the additions and deductions indicated in the form will be applied so as to bring out the cash balance at the district treasury.
- (b) Meantime, the treasurer will also sum both sides of his cash book, and draw up his balance memorandum appending on the lower part of his balance sheet a detail in kind of the notes, coin, &c., composing the balance.
- (c) If the results shown in the two balance sheets agree, the Treasury Officer should sign the two cash books and the two balance sheets. He should first satisfy himself of the correctness

and good order of all these documents and should give special attention to the reconciliation of the account balance of the district with that actually in the head-quarter treasury ;

(d) Before signing the treasurer's daily balance sheet, he should roughly verify the balance in the sole charge of the treasurer ;

(1) That no uncurrent coins are left in charge of the treasurer.

(2) That no more small silver and copper coins is so left than is actually required for current use.

(3) That the whole balance in sole charge of the Treasurer never exceeds his current requirements. (Art. 323.)

(e) He should always be careful to sign the treasurer's balance sheet on the evening of the day itself to which it refers. The accountant's balance sheet must not be signed until it has been carefully agreed with the treasurer's.

Q. 234.—How is the balance in the sole charge of the treasurer verified daily and what consideration determines its amount ?

A.—Before signing the treasurer's daily balance sheet a treasury officer should roughly verify the balance in the sole charge of the treasurer, as shown in that sheet, and satisfy himself on the following points :—

(1) That no uncurrent coins are left in charge of the treasurer ;

(2) That no more small silver and copper coins is so left than is actually required for current use ;

(3) That the whole balance in sole charge of the treasurer never exceeds his current requirements.
*(Art. 323, d).

In the accountant's balance sheet there is not one figure which the Treasury Officer has not ample means of verifying ;

the opening entries agree with the closing ones of the preceding day ; the receipt and charges are taken from the cash book ; the amounts shown as sub-treasury balance can be ascertained in a few moments from the daily sheets of sub-treasuries and any change made since the previous day, in the amount under remittance within the district must be supported by an entry in the sub-treasury sheets, or in the treasurer's cash book. The balance in the district treasury is shown in the treasurer's balance sheet and in that part of it which is under joint locks, no change can be made without the active intervention of the Treasury Officer himself. (Art. 323 (e. 1.)).

Q. 235.—What are the points on which the Treasury Officer should satisfy himself before signing the treasurer's daily balance sheet ?

A.—Before signing the treasurer's daily balance sheet the Treasury Officer should roughly verify the balance and satisfy himself on the following points :—

- (1) that no uncurrent coins are left in charge of the treasurer.
- (2) that no more small silver and copper coins is so left than is actually required for current use.
- (3) that the whole balance in sole charge of the treasurer never exceeds his current requirements.

(Art. 323 d.)

Q. 236.—In what respects does the accountant's daily balance sheet differ from the treasurer's daily balance sheet ? When are these documents signed by the Treasury Officer, and how are they required to be verified before signature ?

A.—The accountant's balance sheet includes the balance in sub-treasuries or under remittance within the district which the treasurer's daily sheet excludes. The latter also gives a detail in kind of the notes, coins, &c., comprising the balance.

If the results shown in the two balance sheets agree, the Treasury Officer should sign the two cash books and the two balance sheets. He should first satisfy himself of the correctness and good order of all these documents, and should give

special attention to the reconciliation of the account balance of the district with that actually in the head-quarter treasury.

Treasury Officer should always be careful to sign the treasurer's balance sheet on the evening of the day itself to which it refers. The accountant's balance sheet must not be signed until it has been carefully agreed with the treasurer's. 323 (e)

Before signing the treasurer's daily balance sheet he should roughly verify the balance in the sole charge of the treasurer, as shown in that sheet, and satisfy himself on the following points:—

(1) That no uncurrent coins are left in charge of the treasurer; (2) that no more small silver and copper coin is so left than is actually required for current use; (3) that the whole balance in the sole charge of the treasurer never exceeds his current requirements. (Art. 323 b. c., d. e. C. A. C.)

Q. 237.—Explain the terms “Cash Account,” “Uncurrent Coin,” “List of Payments.”

A.—Cash Account shows all the direct entries on the receipt side of the cash book together with the monthly total of the various receipt registers. It will be closed in the form given in Art. 325.

Uncurrent coin—(silver)—The rupee and half rupee are uncurrent if they have lost more than two per cent. in weight (whether by reasonable wear or otherwise)—Provided also that they have not been clipped or filed; or defaced or diminished otherwise than by use. (Art. 573.)

The quarter and eighth of a rupee will be uncurrent if they come under the second provision mentioned above.

Coins called in by proclamation, shroff—marked or bearing some defect of mintage are also treated as uncurrent coins.

Copper coin is treated as uncurrent when the device thereon becomes obliterated.

List of payment shows all the direct entries on the payment side of the Cash Book (first list from 1st to 10th and second list from 11th to the last working day of the month) together with the list totals of the various payment registers.

• Q. 238.—What monthly returns are submitted by Treasury Officers to the Accountant-General ?

A.—The cash account, the second list of payments, and a variable number of schedules which have been prepared from day to day and vouchers supporting them on the first working day of the following month (the first list with voucher and schedules should already have been despatched on the 10th or 11th of the month. (Art. 326.)

Q. 239.—What returns have to be sent monthly to the Accountant-General from a Treasury ? Describe briefly how they are compiled.

A.—The cash account, the second list of payment, and a variable number of schedule which have already been prepared from day to day, and vouchers supporting them, should be despatched to the Accountant-General on the first working day of the following month (the first list with vouchers and schedules should already have been despatched on the 10th or 11th of the month). (Art. 326, C. A. C.)

In addition to these returns *plus* and *minus* memoranda must be submitted with the monthly accounts showing transactions on account of deposit (Art. 369), of Local Funds (Art. 274), of each kind of stamps (general adhesive, bill, court-fee, postage and telegraph stamps), and of excise opium. The deductions from balance should tally with the corresponding entries of receipt in the accounts (except as regards telegraph stamps referred to in Art. 546), and the closing balances should be certified as agreeing with the various stock registers and accounts maintained in the treasury. Memoranda may also, with advantage, be required of the outstanding balances of any class of advances which the district officer has authority to make (e.g., land improvement advances). For all these the same form may be used, showing in vertical columns—(1) Name of fund or stock, (2) Balance from last month, (3) Additions to balance this month, (4) Total, (5) Deductions from balance, (6) Balance at end of month. (Art. 327, C. A. C.)

Abstract account.—Immediately after the account is completed, the abstract account should be prepared from it and despatched by post to the Accountant-General on the 2nd of the month, unless special orders have been issued to the Treasury to telegraph the figures. The postal form will be the following, the figures being stated in even hundreds of rupees :—

POSTAL FORM.

<i>Receipts.</i>	<i>Out-goings.</i>
(1) Civil Revenue.	(0) Civil Expenditure.
(2) Civil Debt and Remittance.	(11) Civil Debt and Remittance.
(3) Post Office.	(12) Post Office.
(4) Forest and Marine.	(13) Forest and Marine.
(5) Military.	(14) Military.
(6) Public Works.	(15) Public Works.
(7) Guaranteed Railways.	(16) Guaranteed Railways.
(8) Telegraph.	(17) Telegraph.
(9) Opening Balance.	(18) Closing Balance.

CASH BALANCE REPORT.

The detailed cash balance report for the last day of the month should be despatched positively on the first working day of the succeeding month. It should be signed by the district officer with a certificate that he has personally verified the several details of the coin and notes held. Whether it agrees with the account or by any error in them disagrees, it must declare the literal facts, and it will include with the coin actually found in the treasury the balances of the several sub-treasuries on the last dates for which their returns have been included in the head-quarters accounts. (Art. 329.)

Q. 240.—What is the abstract account? How is it telegraphed and from what documents are the figures against 'Post Office' ascertained?

A.—Immediately after the account is completed, an abstract account should be prepared from it and despatched by post to the Accountant-General on the 2nd of the month, unless

special orders have been issued to the Treasury Officer to telegraph the figures.

The postal form will be the following, the figures being stated in even-hundreds of rupees:—

Receipts.

	Rs.
(1) Civil Revenue	30,200 .
(2) Civil Debts and Remittance ...	63,400
(3) Post Office	12,600
(4) Forest and Marine	1,800
(5) Military	3,600
(6) Public Works	24,200
(7) Guaranteed Railways
(8) Telegraph	700
(9) Opening balance	1,27,200
	<hr/> 2,63,700

Outgoings.

	Rs.
(10) Civil Expenditure	56,500
(11) Civil Debt and Remittance ...	14,700
(12) Post Office	13,500
(13) Forest and Marine	4,200
(14) Military	64,900
(15) Public Works	53,300
(16) Guaranteed Railways
(17) Telegraph	2,500
(18) Closing balance	54,100
	<hr/> 2,63,700

The telegraphic form corresponding to the above would be :—

“302, 634, 126, 18, 36, 24, 27, 1272, 565, 147, 135, 42, 649, 533, 25, 541.”

Post Office.—This head is represented on the receipt side by the separate schedule of the Post Office receipts including

postage stamp; and on the expenditure side by a separate schedule, so that the items can readily be taken out, (Art. 328, I. C.)

Q.* 241.—Give the prescribed procedure for verification of the Treasury cash balance?

A.—The following is a sufficient and ordinary procedure of a Treasury Officer or Collector in verifying a cash balance by counting:—

(a) *Silver Coin*.—The coin being in bags, each containing a certain fixed amount. First take any bag at random, have Rs. 50 or Rs. 100 counted in detail and used as a weight in a small scale against which other similar sums are weighed, until the whole contents of the bag are exhausted. Care should be taken that the required number of parcels of Rs. 100 or 50 is made up. The whole amount thus tested should then be taken as a verified weight of Rs. 1,000 or Rs. 2,000 as the case may be and be placed in one pan of a large pair of scales.

The whole number of bags should now be counted, and one, in every twenty, taken at random opened and its contents poured into the scales and weighed against the verified Rs. 1,000 or Rs. 2,000.

Broken amounts may be verified by weighments in similar quantities of Rs. 50 or Rs. 100 or Rs. 200.

It may be noted that the maximum difference between new coin and coin in current use is about 3 in 1000 for whole rupees, up to about 16 in 1000 for two-anna pieces and a difference in gross weight to this extent need not impugn the verification. If a large difference is found, the bags should be tested by weighments in sums of Rs. 100 (or less for small coin) which if carefully done, should always be precise.

(b) *Copper coin*.—There is no rule. The Collector may adopt any method of verification which he thinks satisfactory, and should also examine their contents occasionally, as he is personally responsible for the correctness of the balance he states.

* • (c) *Notes*.—All notes of Rs. 100 and over should be counted with the Collector's own hand. For smaller notes the following plan is sufficient:—

The notes being in bundles of a certain marked number, a few at the top may be folded back, and the rest counted by clerks or other assistants.

The Collector should then see, in the case of each bundle, whether the addition of the folded—back notes to the number already counted and marked makes up the whole alleged number of the bundle. The Collector should also satisfy himself that the notes in the bundles are all of the alleged value. (Art. 329, C. A. C.)

Q. 242.—State fully the Civil Account Code rules regarding the district officers' monthly verification of the cash balance and the nature of the report to be sent to the Accountant-General.

A.—The detailed cash balance report for the last day of the month should be despatched positively on the first working day of the succeeding month. It should be signed by the district officer with a certificate that he has personally verified the several details of the coin and notes held. Whether it agrees with the account, or by any error in them disagrees, it must declare the literal facts; and it will include with the coin actually found in the treasury the balances of the several sub-treasuries on the last dates for which their returns have been included in the head-quarters accounts. (Art. 329.)

The following is a sufficient and ordinary procedure of a Treasury Officer or Collector in verifying a cash balance by counting:—(see Art. 329 (note) and Ans. to Q. 328 *supra*.)

The cash balance report should show separately the value of each kind of coin, giving the tale as well as the value of the uncurrent coin; it will give the number of pieces of each denomination of notes (Art. 330) with their values.

The total balance should be stated in words, and its distribution between the head-quarters and Sub-Treasuries shall be exhibited so as to show the amounts held in each in home and

foreign notes, in legal tender gold, in whole rupees, in small silver, and in copper, the portion of the head-quarter's balance under the double locks, and under the treasurer's single lock, respectively should be noted and lastly, entry should be made of the amount of copper received from, and issued to, the public. (Art. 331.)

The duty of verifying and certifying the monthly cash balance and of signing the monthly cash account must be performed by the district officer in person. (Art. 335.)

If the district officer be absent on tour on the 1st of the month, the cash balance may be verified, and the accounts signed, by the senior gazetted subordinate of the district staff at head-quarters, not being the officer in charge of the treasury, the fact of the district officer's absence must be distinctly noted. But on no account, without special permission of the Local Government in each case may a district officer allow more than two months to elapse without a personal verification of the cash balance to be reported to the Accountant-General (Art. 336.)

Q. 243.—How is cash balance report prepared and what memoranda accompany it ?

A.—On the 15th of each month, each Treasury will also furnish the Accountant-General with a memo. showing the present balance and the probable balance at close of the month, and mentioning any facts, specially affecting the balance. (Art. 334.)

Q. 244.—By whom should monthly cash balance of a Treasury be verified and monthly cash account signed ? Are there any exceptions to this rule. If so what is the procedure in such cases ?

A.—The duty of verifying and certifying the monthly cash balance and of signing the monthly cash account must be performed by the district officer in person, and must on no account be delegated to any subordinate officer unless upon the ground of properly-attested actual physical inability to perform the duty. (Art. 335.) If the District Officer be absent on tour

On the 1st of the month, the cash balance may be verified, and the accounts signed, by the senior gazetted subordinate of the district staff present at head-quarters, not being the officer in charge of the treasury.

If neither the district officer, nor any gazetted officer of the district staff other than the Treasury Officer himself, is present at head-quarters when the accounts are ready for signature, the cash balance may be verified and the accounts be signed by the Treasury Officer, but the absence of all other officers as above must be certified on the face of the accounts and the cash balance should be verified by another officer and reported to the Accountant-General as soon as such other officer returns to head-quarters (Art. 336, Notes.)

Q. 245.—What are the main points on which Inspecting Officers should satisfy themselves at the periodical inspection of treasuries?

A:—The Inspecting Officer should see that the boxes in which the money is kept are in good order, that the guard is properly posted, that the Treasurer is not allowed to keep too much money in his hands, that the spare stores of bill forms are kept under proper custody, that the deposit registers and pension registers are all up to date, that the standing orders of the department are observed, that the circulars from the Accountant-General are understood and filed to date, and generally, that the office registers and records are in good order. He should also notice the degree of supervision exercised by the Treasury Officer in respect of the examination of coin presented by the public and its withdrawal from circulation, if tampered with or unduly worn. (Clause 2, Art. 340.)

CHAPTER 19.

PENSION PAYMENTS.

Q. 246.—For what purposes are pay orders used :—

A.—Payments of pensions are made only upon permanent pay orders issued by the Accountant-General, the Treasury Officer's halves of which will be pasted in serial order in two files, one for political, and the other for service pensions. (Art. 342.) Vide also Civil Service Regulations (Art. 1020).

Q. 247.—How does a Treasury Officer guard against the double payment of pension ?

A.—On appearance of a pensioner claiming pension his personal marks should be checked by the disbursing officer, and the signature to the receipt compared with the original pay-order.

A pensioner drawing pension for the first time should also be required to produce the copy of the order by which the sanction to his pension was communicated to him (Art. 344, C. A. C.)

Special care should be taken in the identification of female pensioners. (Art. 345, C. A. C.)

Pensioners' receipts may be taken either on separate bills or on a single bill for all on account of each kind. (Art. 346, C. A. C.)

Every payment is to be entered on the reverse of both portions of the order and attested by the signature of the disbursing officer. (Art. 347, C. A. C.)

Q. 248.—What should a Treasury Officer do if a gratuity remains undrawn for more than three months ?

A.—The payment order should be returned to the Accountant-General with an explanation of the cause of the non-appearance of the gratuitant.

CHAPTER 20.

DEPOSITS.

Q. 249.—Explain the system of record of revenue deposits.

A.—Each item of deposit received must at once be entered in a register in Form 41 and numbered; there will be a separate series of numbers for each register, beginning a new each year. The Treasury Officer will carefully check the amount and particulars of each entry (*vide* Art. 246) and then set his initials in the proper column against each. A daily total only will be carried from each register to the cash book.

Every item must be recorded in the name of the person from whom, not that of the Government official through whom, it is received; it must be passed through the accounts, even though repaid on the day of receipt, and be kept distinct, however small it be, till finally disposed of, never being consolidated with others. (Arts. 351 and 352.)

Q. 250.—Can an item be held in the name of Government Officials?

A.—No items should be held in the name of Government Officials except undisbursed portions of family remittances. (Art. 352.)

Q. 251.—In whose name should every item of deposit be recorded?

A.—Every item must be recorded in the name of the person from whom it is received. (Art. 352.)

Q. 252.—Explain Personal Ledger.

A.—*Personal Ledger.* The receipts and payments of certain funds accounts for which the special permission of the Comptroller-General for opening a banking account with the Treasury has been obtained (through the local account office) are recorded in personal ledger—each payment is made on a voucher drawn by the administrator of the fund and the receipts are shown in lump sum without any details and the balance struck after each transaction. (*Vide* Art. 355.)

Q. 253.—What is the method of repaying revenue deposits at a treasury and recording the payment?

A.—In making repayment the Treasury Officer would clearly indicate the sub-treasury account in which the credit originally appeared, so that it will be easy to trace the item and to charge off the payment correctly in the district account. (Art. 361.)

Q. 254.—Explain the use of Tahsili cash orders, and state how their adjustment is watched?

A.—Payments are generally made at sub-treasuries on cash orders issued by the District Treasury (Art. 322.)

The adjustment of cash orders issued on sub-treasuries may most conveniently be watched by opening a personal ledger for each sub-treasury. The orders issued would bear a serial number and the amount would be credited in personal ledger account (Form 44) but need not be entered in (Form 42). When paid at the sub-treasury it would be charged in the sub-treasury cash book and daily sheet as a miscellaneous payment, but in the district treasury would be posted at the personal ledger account as repayment of deposit. (Art. 363.)

CHAPTER 21.

BILLS.

Q. 255.—What are the two forms of bills used for remittances of public funds in India?

A.—Supply Bills.

Remittance transfer receipts.

Q. 256.—On what authority are bills generally paid at sub-treasuries? and how are cheques made payable.

- (1) When in favour of Government servants.
- (2) When the payee is not in Government employ?

A.—Bills are generally paid at sub-treasuries on the authority issued by the District Treasury Officer.

(1) Every cheque in favour of a Government Officer is made payable to order only.

(2) When the payee is not in Government employ, the drawer may at his request, make the cheque payable to bearer.

Q. 257.—When may a bill be paid ?

(a) Without advice ?

(b) When differing from the advice.

A.—Without advice, if there is no reason whatsoever to doubt its genuineness and if the holders are known and respectable and likely to be inconvenienced by delay ; on tender of sufficient guarantee there need be no hesitation : application for advice should, however, be made at once.

When differing from advice, at the discretion and risk of the drawee, provided there is no suspicion of fraudulent alteration, nor any possible doubt of the genuineness of the bill. But great caution should be exercised before paying on a bill an amount larger than that named in the advice.

(Art. 391.)

Q. 258.—A supply bill is presented for payment at a treasury. What documents does the Treasury Officer consult and what entries does he make in the accounts when making the payment ?

A.—On presentation of a supply bill for payment, the Treasury Officer must compare it with the check register of bills payable (Form 53) and also with the advice, and should satisfy himself carefully that it is in order, and that it is receipted on the back by a person able to give a legal quit-tance. (Art. 390.)

As each bill is paid, it must be scored through and stamped *paid*, the word *paid* entered against the bill in the advice list, the date of payment noted in column 6 of the check register and the amount paid entered in the right hand column of the same. As each payment is made, the entry should be initialled by the Treasury Officer in column of Remarks of the check register. Entry must be made at the same time in the

proper register of bills paid. If the treasury banks with a branch bank the entry of payment in the latter register will be made from the paid bills on their return from the bank. (Art. 394.)

A volume should be prepared at the beginning of the year (Forms 54 and 55), in which the bills will be entered as they are paid, the daily total being each day carried to the cash book. These registers of bills paid will be two in number (like those of bills issued) namely, for supply bills Local (Form 54) and one for foreign supply bills (Form 55). (Art. 395.)

Q. 259.—What is the rule about the issue of duplicate bills ?

A.—When satisfactory evidence has been given that a bill has been either lost or destroyed, and application is made within a reasonable period after issue, and of course, therefore, before it has lapsed, a duplicate may, without reference to the Accountant-General, be granted to the party who obtained the original, or to the payee, or the legal representative of either, but to no other person. If the bill should not have been presented for payment within three months, it will be necessary for the applicant to produce a certificate of non-payment from the drawee; the issue of this certificate will, of course, be no bar to the payment of the lost bill, if presented before the duplicate is paid. (Art. 145, C. A. C.)

In the event of the loss of both original and duplicate, a triplicate may be issued on the same terms as the duplicate, the non-payment of the others being certified. No special form is provided for triplicates; the form of duplicate may be altered by hand. Neither duplicate nor triplicate can be issued without reference to the Accountant-General if the bill has lapsed. (Art. 398.)

The duplicate and triplicate must be drawn in exactly the same terms as the original, with the same date, the same number, the same amount, and the name of the same payee, so that, if a lost bill has been endorsed, the endorsee must apply

for a duplicate through the original payee. It will be issued under the signature of the officer in charge of the treasury at the time, although he be not the person who signed the original bill. (Art. 399.)

No duplicate or triplicate older than six months should be paid without previous reference to the Accountant-General, or in the case of military transfer receipt to the Controller of Military Accounts; nor should any duplicate or triplicate of a bill endorsed for payment at a sub-treasury be either cashed or endorsed for payment at a sub-treasury, until the officer at the sub-treasury has certified that he has not paid the original and that he has recorded the issue of a duplicate. (Art. 400.)

Q. 260.—What action is required of a Treasury Officer before payment of issue of a duplicate of a bill passed for payment but lost before being cashed.

A.—Before payment of issue of a duplicate of a bill passed for payment but lost before being cashed, the Treasury Officer should ascertain from the treasury that payment has not been made on the original bill. (Art. 400.)

Q. 261.—How should the original bill be treated when it is exchanged for another?

A.—When a bill is exchanged for another the original bill will be treated and charged as a bill presented for payment and the amount again credited as received for the issue of the new bill. (Art. 402).

Q. 262.—When do bills lapse?

A.—Supply bills and transfer receipts which are not paid before the end of the third account year after that in which they are issued lapse.

Q. 263.—What is the procedure prescribed regarding such bills?

A.—The bills should be so marked in the check register of bills payable, their amount being at the same time posted in the right hand column of that register; their amount is transferred to the credit of Government by an account entry

made by the Accountant-General. Should any one apply for payment of a lapsed bill, he should be directed to address the Accountant-General; if payment be sanctioned, the amount will be charged in the cash book as a miscellaneous refund and noted against the credit to prevent a double payment. (Art. 403).

CHAPTER 22.

IMPERIAL DEPARTMENTS.

Q. 264.—What is an Imperial Department as defined in the Civil Account Code? Specify the departments which are included in the above designation.

A.—The name “Imperial Department” is here given to certain departments whose operations extend over several provinces and whose accounts it is found convenient to collect under the charge of a single accounting officer, namely, the Comptroller of India Treasuries. In this designation the following departments are included:—

- (1) Survey of India.
- (2) Northern India Salt Department.
- (3) Meteorological Department.
- (4) Civil Veterinary and Horse Breeding Department.
- (5) Archæological Surveys.
- (6) Geological Survey and Museums. (Art. 409.)

Q. 265.—Under whose authority are payments made to officers of such departments?

A.—Payments to officers of such departments are made under authority from the Comptroller of India treasuries. (Art. 409.)

Q. 266.—How are the Survey Parties supplied with the funds for fixed and other charges? When does the sanction lapse in each case?

A.—In respect of the salaries and local allowances of gazetted officers and their establishments—herein called “fixed charges”—the Surveyor-General will inform the Comptroller, India Treasuries, quarterly of the total authorized amounts payable by Treasury Officers from month to month,

together with the names of the treasuries from which they should be made payable.

The Comptroller, India Treasuries, will communicate this estimate of fixed charges to the Accountant-General concerned, who will inform the Treasury Officers under them of the amounts payable on account of salaries and establishment bills. Treasury Officers will pay all such bills on presentation according to the Surveyor-General's estimates.

For the payment of other charges namely, travelling allowances of gazetted officers and of establishments and contingent expenditure, officers in charge of parties will be supplied with funds by means of letters of credit issued by the Comptroller, India Treasuries, on application of the Surveyor-General in favor of the Officer in charge of a specified party. The money will be drawn from the treasury, as required, upon receipts signed by the officer in charge of the party.

Fixed charges lapse at the end of the month next following the quarter for which issued. A letter of credit lapses at the end of the month next following the period for which it is issued. (Arts. 411 and 412.)

Q. 267.—How are the objections raised by the Comptroller, India Treasuries, in auditing the Survey parties' accounts, disposed of?

A.—Objections raised by the Comptroller in auditing the Survey parties accounts should be communicated in an objection statement, one for each party. The objection statement should be sent through the Surveyor-General, and not direct to the party and should be similarly returned through the Surveyor-General. (Art. 415.)

Q. 268.—What is the procedure adopted by Treasury Officers when sale proceeds of maps of the Survey Department are paid into their treasuries?

A.—Treasury Officers should credit the amounts so received as receipts of the Survey Department on account of the sale-proceeds of maps. (Art. 416.)

Q. 269.—(a) What are the rules for the repair of survey

stations and (b) how are the charges incurred thereon accounted for?

A.—(a) (1) District Officers and Political Agents of the Survey stations are authorized to expend, for the protection of each station, a sum not exceeding on an average Rs. 4 a year.

(2) Any outlay in excess of this amount will require special sanction of the Deputy Surveyor-General.

(b) Payments should be made on a receipted bill, accompanied by a separate receipt. The bill should be sent by the Treasury Officer to the Deputy Surveyor-General at Dehra Dun (who will countersign and transmit it to the Comptroller, India Treasuries), the separate receipt will support the charge in the district accounts. (Arj. 417.)

Q. 270.—What are the rules prescribed in respect to the receipt of revenue directly by officers of Northern India Salt Department?

A.—The receipt of revenue directly by officers of this Department should be restricted as far as possible; but when any revenue is so received, they are required to pay it into the treasury without any diminution. Each remittance will be entered in a pass-book and accompanied by a chalan, both of which should be receipted by the Treasury Officer or accountant in accordance with the rules laid down in Chap. I. (Art. 418.)

Q. 271.—Name and explain the several classes into which the expenditure of the Imperial Meteorological Department is classified?

A.—The expenditure is classified into (1) Reporters (2) Observatories and (3) Special grants.

Reporters—including salaries and allowances of Reporters and their establishments, contingencies connected with their establishments.

Observatories—including (1) allowances to observers, (2) establishment, (3) Local contingencies, (4) cost of observing

instruments, whether in the observatories or in the Reporter's Offices.

Special grants—grants for the cost of special works or undertaking. (Art. 427.)

Q. 272.—How do Reporters and Observers of the Meteorological department draw their salary and contingent bills? By whom these bills be countersigned?

A.—Reporters will draw their bills under the usual rules applicable to Government Officers in the Civil Department. Observers will draw bills for their establishment, under the countersignature of either a Reporter or the Local Civil Surgeon. Their contingent bills must be countersigned by a Reporter. The contingent bills for observatories in the Central Provinces, Burma, will be countersigned by the respective Sanitary Commissioners of those provinces. Bills for unusual expenditure, or for any contingent expenditure in excess of Rs. 200, or for instruments in excess of Rs. 50 in value, or for expenditure against the head "special grants," will require the countersignature of the Reporters of the Government of India. (Art. 428.)

Q. 273.—State the rules prescribed for the payment of charges on account of horse-breeding.

A.—Charges on account of horse-breeding will be paid on presentation at the treasury of bills setting forth the nature of the expenditure. (Art. 433.)

Q. 274.—How are the Archæological Departments and Geological Survey and Museums supplied with funds?

A.—Funds are supplied to the Archæological Department on letters of credit which are issued monthly upon the treasuries from which money is required by the Comptroller, India Treasuries, on application from the surveyor concerned. Funds are supplied to the Geological Survey Department by means of payment orders and letters of credit issued monthly by the Comptroller, India Treasuries, on applications received from the Director of the Department. (Arts. 435 and 437.)

CHAPTER 23.

FOREST DEPARTMENT.

Q. 275.—What are the rules regarding the receipt of Forest Revenue, and how should it be remitted to Treasury?

A.—All sums paid into a treasury by a Forest Officer or on his account should be credited to the Forest Department as "Forest Remittances."

All revenue received by Forest Officers should be paid into the treasury with as little delay as possible. Each remittance should be accompanied by the usual chalan form supplied by Treasury Officers, in duplicate.

A Treasury Officer should receive Forest Revenue—

- (1) When paid by a Forest Officer ;
- (2) When the chalan is countersigned by a Forest Officer.
- (3) When the Treasury Officer is specially authorized to receive it.

Each item of receipt should be shown separately in the schedule submitted by the Treasury Officer to the Accountant-General; and when two or more Forest Officers deal with a Treasury, the receipts from each should be shown in separate columns.

If funds are required for immediate expenditure locally, sums locally received may be so expended but in all cases the gross amount of revenue received must be remitted to the Treasury, which may be done in cash, or partly in cash and partly by cheque, or wholly by a cheque drawn against the letter of credit, the amount paid in cash and the amount remitted by cheque being shown separately in the chalan or remittance note. (Arts. 440 to 443.)

Q. 276.—How is the Forest Department supplied with funds? and when does the sanction lapse?

A.—Funds are supplied to the Forest Department by means of quarterly letters of credit issued in Madras and Bombay by the Accountant-General; and elsewhere by the Comptroller-General. (Art. 445.)

• • All letters of credit lapse at the close of the financial year; but cheques drawn on or before the 31st March, and presented for payment at the Treasury on or before the 30th April, will be taken by the Treasury Officer against the letter of credit of the official year in which the cheques were drawn. If presented for payment after the 30th April, their amount will be taken against the letter of credit of the year succeeding that in which they were drawn. (Note 2, Art. 445.) *Vide* also Forest Code, Art. 192.

Q. 277.—How are funds drawn by Forest Officers? and what is the minimum money limit to be drawn?

A.—Funds may be obtained by Forest Officers from the sub-treasuries or Tehsils subordinate to the district treasuries on which they hold letters of credit, by means of cheques, which should be distinguished by different numbers and letters from those drawn against the district treasury. The Forest Officer will, in such cases, advise the District Treasury Officer from time to time of the probable amount of his drawings, in order that funds may be duly provided, and will communicate to the Sub-Treasury Officer, through the District Treasury Officer, the number of the cheque book to be used. (Art. 446.) Each cheque will be entered in a separate schedule to be submitted by the Treasury Officer to the Accountant-General.

Note.—Temporary advances to Forest Officers should never be made even if it is known that they will be refunded within the same month by the Forest Officer concerned.

Q. 278.—What is the minimum money limit to be drawn?

A.—No cheque will be issued for a sum less than Rs. 10. (Art. 447.)

Q. 279.—How are the leave allowances of Forest Officers on leave in India at a place where there is no disbursing Forest officer, paid and adjusted in the treasury accounts?

A.—The leave allowances of Forest Officers on leave in India may be paid under the same rules as those of any other gazetted officer, and no letter of credit is required. The bills should be charged in the treasury account in the same way as Forest cheques. (Art. 448.)

CHAPTER 24.

PUBLIC WORKS DEPARTMENT.

Q. 280.—What is the prescribed procedure for supply of funds to the Public Works Department?

A.—Funds will be supplied to the Public Works Department by means of letters of credit (Form 61). The amount of each letter of credit is to be posted in the column of balance in the register of cheques paid (Form 62) (and in the Executive Engineer's separate pass-book when sent to be written up) as the limit up to which the officers named therein may draw cheques. The cheques themselves should be charged in the treasury accounts only when they are actually paid. (See Arts. 451 and 449.)

The Executive Engineer will obtain money solely by cheques against his letter of credit. He is supplied with numbered cheque-books, and before bringing one into use will advise the Treasury Officer of its number for record in the register of cheques paid. (Art. 451.)

Q. 281.—How does an Executive Engineer draw money from a treasury? What should the Treasury Officer do before he passes an order for payment?

A.—An Executive Engineer will draw money solely by cheques against his letter of credit. The Treasury Officer, before he passes an order for payment should compare the cheque with the register (Form 62) to ascertain that the account is not overdrawn, and that the cheque really came from the book notified as in use by the drawer. The cheque should then be entered in the register and passed for payment. (Art. 451.)

Q. 282.—By whom should cheque books be supplied to Public Works Disbursers?

A.—By the Examiner of Public Works Accounts and on no account should they be supplied by Treasury Officers.

Q. 283.—How are Public Works Subordinates supplied with funds?

. . A.—An Executive Engineer may empower any of his sub-divisional officers to draw cheques against his own letter of credit to any extent that he may specify, supplying him with a cheque book bearing a different number from his own, and of course advising the Treasury Officer thereof. (Art. 452.)

Q. 284.—How may funds be obtained by Executive Engineers at sub-treasuries? What kinds of cheques should be used for such purposes?

A.—Funds may be obtained by Executive Engineers from sub-treasuries, by means of cheques, which must be distinguished from those drawn on the head treasury by the use of different numbers and letters. (Art. 454.)

Q. 285.—What steps should be taken against shortness of funds in the treasuries?

A.—He should warn the Treasury Officer from time to time of the extent to which he will desire to draw on any sub-treasury in order that funds may be provided. (Art. 455.)

Q. 286.—What should the Treasury Officers enter in the Public Works Treasury Pass Books?

A.—Treasury Officers should invariably enter in the Public Works Treasury Pass books, the Book number as well as the individual cheque number and the distinguishing initial of each cheque cashed. (Art. 457.)

Q. 287.—Can Government advance funds for execution of works by the Public Works Department for the benefit of Estates under the Court of Wards?

A.—No, but whenever such works have to be executed, funds should be placed at the disposal of Public Works Department by the Administrator of the Estate. (Art. 460.)

Q. 288.—What are the rules prescribed for regulating Public Works receipts and expenditure by Civil Officers acting as Public Works disbursers?

A.—The following are the rules:—

(1) All expenditure for Public Works, whether imperial, provincial or local, incurred by officers not belonging to the

Public Works Department against the grant for Public Works in charge of "Public Works Officers" will be audited by, and brought to the books of the Examiner.

(2) The Civil Accountant-General will take measures to stop, and to recover any payments which may have been irregularly made from the general funds in the treasury on works which are chargeable to the departmental part of the Public Works grant.

(3) The local Government or Administration, in passing the estimate for a work to be executed, or in giving authority for land to be taken up by a civil officer, will determine how the funds are to be supplied, and the civil officer will apply to the Examiner or the Executive Engineer for the credits he may require. The Examiner or Executive Engineer will furnish the civil officer with a cheque-book to draw against it.

(4) The Civil Officers' requisition for funds should be submitted to the Examiner or the Executive Engineer by the 8th of the month preceding that for which the advances are required.

(5) The Civil Officer will send up a brief monthly abstract of receipts and disbursements, showing total cash received and total expenditure on each work in progress.

(6) A bill should be prepared by the civil officer on completion of each original work, and an annual bill for the repairs executed during the year which should be submitted to the Engineer either direct or through the Executive Engineer, for final audit.

(7) Public Works revenue realised by civil officers carrying out public works must not be expended, but paid into the treasury to the credit of Public Works Department, the receipts and payments being recorded in the monthly abstract of receipts and disbursements. (Art 467) and *vide* Section IV., Chap. XIV. of the Public Works Code.

CHAPTER 25.

MILITARY DEPARTMENT.

Q. 289.—Name the departmental officers who are authorised to grant receivable orders.

A.—The Controller of Military Accounts.

The Officer in Charge, Accounts Branch.

The Pay Examiner.

The Examiner, Supply and Transport Accounts.

The Examiner, Ordnance and Clothing Accounts.

Presidency and Circle Paymasters.

Superintendent of Kheddass.

Supply and Transport Store and Shipping Officer.

Superintendents, Army Clothing.

Chief Supply and Transport Officers.

Superintendent of Remount Depôts.

Medical Storekeepers to Government.

The Agent for Government Consignments.

Officers in Charge of Grass Farms.

Remount and Purchasing Agents.

Superintendents of Ordnance Factories.

Examiner of Ordnance Factory Accounts.

Officers (commissioned or warrant) in Charge of
Arsenals and Ordnance Depôts.

Executive Supply and Transport Officers.

Honorary Commissioned, Warrant and Non-commissioned Officers in Supply and Transport Charge
at Outposts.

Superintendents of Pensions and Family Payments.

Officers in Charge of Family Payment.

Officers in Charge of Pensioners.

Q. 290.—What are the two kinds of deposits of the Military Department and explain each of them?

A.—Deposits of the Military Department are of two kinds—

(1) *Earnest money deposits*, made by intending
tenders. For these no previous permission is

required, but the depositor must state the name of the military officer in whose favor he makes the deposit, and that name must be stated on the receipt given by the treasury. These deposits will be refunded under the authority of an order endorsed by the said military officer upon the receipt. The transactions will be recorded as Revenue Deposits and no part repayment of earnest money can ever be made.

- (2) *Other Deposits.* These will be received only under the written authority prescribed in Art. 469, and they can be repaid only by cheques drawn against the assignments. (Art. 472.)

Q. 291.—What procedure should be followed if a Military Officer requests that Deposits should be adjusted to credit of Government ?

A.—If a Military Officer requests that the deposit be carried to credit of Government, he should return the receipt with this direction, whereupon the Treasury Officer will endorse it "Pay by transfer credit to Military" charge it off on this voucher, and credit the amount as a Miscellaneous Military Receipt. (Note 1 to Art. 472.)

Q. 292.—How is the commission duty when received by a military officer in civil employ levied and adjusted in the Treasury accounts ?

A.—The Military Department should notify the fact to the Civil Accountant-General, in order that the Treasury Officer may be instructed to recover the duty at the official annual rate of exchange in force at the time the recovery is effected. The amount is adjusted to the credit of the Military Department of the command to which the officer belongs. (Art. 476.)

Q. 293.—How are funds to be supplied to the Military disbursing officer ?

. . A.—Funds will be placed at the disposal of the Military disbursing officers by annual assignment estimates in their favor issued to Treasury Officers by the local Accountant-General on the application of the Controller of Military Accounts. (Art. 477.)

Q. 294.—How and upon what conditions are payments made for Military charges?

A.—Payments will be made by Treasury Officers against these assignments, provided that the disbursements made in any month, added to the payments already made in the previous months of the year, do not exceed the amount for which provision has been made up to that period in the annual estimate. (Art. 478.)

Q. 295.—How are Funds supplied to a regiment or battery when it is moved from a station where there is a Military Treasure chest to a station where there is a Civil Treasury, or *vice versa*?

A.—The Paymaster or Commanding Officer should obtain from the Treasury Officer or Military Chest Officer, as the case may be, a certificate specifying the full amount paid from the treasury or treasure chest within the official year, and forward it with an application for transfer of assignment to the Controller of Military Accounts. (Art. 481.)

Q. 296.—How long will a cheque bearing date any time in January payable?

A.—Payable at any time up to 30th April (*i.e.*) within three months after the month of issue. (Art. 482.)

Q. 297.—How are issues of cash from Civil treasuries to Paymasters of British Regiments of Infantry and Cavalry made and when?

A.—The issues of cash from Civil treasuries to Paymaster are made weekly on cheques. (Art. 483.)

Q. 298.—By whom are the vouchers for such charges signed?

A.—They are signed by both the Paymaster and the Officer Commanding. (Art. 483.)

Q. 299.—How often may Officers Commanding Native Regiments of Cavalry and Infantry draw money in a month ?

A.—They will draw but one cheque in the beginning of the month for the amount due on the general state of accounts for the preceding month ; but if, after the monthly cheque has been drawn, an emergency arises requiring the supply of further funds for the payment of detachments, advances of pay to Officers leaving the corps, or other distinctly authorized purposes, additional cheques may be drawn for such purposes so long as the assignment is not overdrawn. (Art. 484.)

Q. 300.—Describe the procedure to be adopted by a Military disbursing officer to prevent double payment if a cheque drawn by him has been lost ?

A.—In such a case, the disbursing officer should address the Treasury Officer drawn on, forwarding for signature a certificate in the accompanying form. If, after search through the lists of cheques paid, the Treasury Officer finds that the cheque has not been cashed, he will sign and return the certificate. The military disbursing officer should enter in his account the original cheque as cancelled, and should issue another.

Certified that cheque No. , dated , for Rs. reported by the (Military Disbursing Officer to have been drawn by him on this treasury in favour of) has not been paid, and will not be paid if paid if presented hereafter.

Treasury Officer,

(Art. 485.)

Q. 301.—Can Military disbursing officers draw advances from a Civil Treasury and if so how ?

A.—In cases of emergency, when delay in applying for a supplementary assignment would be productive of inconvenience to the public service, military disbursing officers in need

of funds over and above the amounts which they may draw under Art. 478 may obtain an additional credit on a civil treasury on the authority of a station or district order. Such credit must not be applied for except in cases of actual necessity, and the circumstances must, in every case, be reported to the Controller of Military Accounts. Payments against advances so obtained will be made on cheques in the ordinary form, and will be charged in the treasury accounts in the same way. (Art. 487).

Q. 302.—How should advances granted to Military disbursing officers on station or district orders in cases of Emergency (referred to in Art. 487) be treated?

A.—Such advances should be treated as additional letters of credit.

Q. 303.—What steps should be taken by a Civil Officer when directed, in time of war, to incur expenditure for the Military Department in procuring or collecting baggage, animals or supplies?

A.—In such cases, the civil officer should at once report to the Controller of Military Accounts the best estimate he can form of the amount he will spend and the probable time during which his payments will be made. (Art. 493).

Q. 304.—What vouchers should be forwarded in support of every payment made by a civil officer on account of animals or stores purchased for the Military Department, and what should a Civil Officer do when there is no representative of the Military Department to whom the animals or stores can be handed over?

A.—Every payment made by a civil officer on account of animals or stores purchased for the Military Department should be supported by (1) the payee's receipt, and (2) the receipt of the Supply or Transport Officer to whom the animals or stores handed over.

When there is no representative of the Military Department to whom the animals or stores can be handed over, the

civil officer should furnish proof that he has made them over to the railway authorities at the point of transmission for despatch to their destination, the proof being a certified copy of the acknowledgment of their receipt by the station master or other responsible officer of the railway. (Art. 494.)

Q. 305.—How are payments for Marine services made and adjusted?

A.—Payments for *marine services* are made on receipts in duplicate, and not by cheques.

Payments for *other marine services* are made on cheques issued against assignments granted to the Director and Deputy Director of the Royal Indian Marine and the Examiner of Marine Accounts.

The Treasury officer will at once forward the original receipt to the Examiner of Marine Accounts, and retain the duplicate to support the debit in his accounts. (Art. 495.)

Q. 306.—What are the vouchers necessary in support of disbursement for the purchase of, and compensation for lands taken for military purposes?

A.—In such cases, the bills and receipts of the payees and the original authorities (or certificated extracts therefrom) under which the expenditure is incurred, are necessary. (Art. 498).

Q. 307.—How are payments made to military pensioners, when made through the Civil Department.

A.—They are made as follows:—

(1) In Madras, Burma, and Cuttack under the procedure laid down in the Madras Code of Regulations for the Department of Family Payments and of Pensions.

(2) Elsewhere, by the Treasury officer, who is furnished with a descriptive roll and a parchment certificate for each pensioner, on receipt of which he will enter the necessary particulars in a check register, and retain the documents till the first payment of

the pension is made. After making this first payment, he will hand over the parchment certificate to the pensioner and attach the descriptive roll to the treasury list of payments.

Native military pensioners are also paid by military officers and by the Post Office under departmental rules. (Art. 503.)

Q., 308.—What is the rule regarding Government Securities deposited with a military disbursing officer for a period of 12 months or less, and how is the register of such securities maintained ?

A.—Government Promissory notes deposited with a military officer for a period of twelve months or less, shall remain in the name of the depositor, and shall not be endorsed by him to the officer concerned. The military officer receiving the deposit will see that the notes stand in the name of the depositor, and that the contract or other document executed by the depositor conveys authority to Government to appropriate or cancel the notes if the contract is not fulfilled. After satisfying himself on these points, the officer receiving the deposit will lodge the note or notes for safe custody in the nearest civil treasury except in the Presidency Towns of Calcutta, Madras and Bombay where the notes will be lodged with the Comptroller-General, and with the Accountants-General, Madras and Bombay respectively. The depositor may draw interest on these notes by tendering receipts in the usual form countersigned by the officer with whom he deposited them. (Art. 506.)

Notes received for safe custody must at once be entered in the register maintained for the purpose, but no record need be made in it of any interest payments, and the notes received should also be noted at once in the register in the column provided for the purpose. (Art. 507.)

CHAPTER 26.

POST OFFICE.

Q. 309.—What is “Post Office Treasury Pass book”?

A.—Post Office Treasury Pass book is a book which contains a complete record of all sums received from or paid into the treasury (whether in cash or by transfer) by a Head Post Office or any of its sub-offices. (Art. 508.)

Q. 310.—How is the Postal Department supplied with funds, and when does the sanction lapse?

A.—Postal department is supplied with funds by means of letters of credit, both ordinary and telegraphic, issued by the Deputy Comptrollers, Post Offices, in charge of circle audit offices at Calcutta, Nagpur and Delhi on civil treasuries in favour of Postmasters within their circle of audit to place them in funds for their cash requirements; advices of these credits are also issued to the Civil Account Officer on the same day.

Letters of credit in favour of the Postal Department lapse at the close of the month for which issued. (Arts. 511 and 512.)

Q. 311.—What course should be adopted when a Sub-Postmaster requires funds at a treasury different from that with which the Postmaster himself banks?

A.—When funds are required for a Sub-Postmaster at a different treasury from that with which the Postmaster himself banks, the latter should obtain from the Comptroller, Post Office, a letter of credit on that treasury and then empower his subordinate Postmaster to draw against it. (Art. 512.)

Q. 312.—How are payments to the Post office on account of Revenue money orders made?

A.—Payments to the Post office on accounts of Revenue Money orders are not made in cash, but by transfer on a receipt signed by the Postmaster. (Art. 518.)

CHAPTER 27.

TELEGRAPH DEPARTMENT.

Q. 313.—Define “Imprest” and what accounts are the Telegraph Officers to open with a treasury or bank ?

A.—Money received on account of Government by members of the Telegraph Department is called “Imprest”. The only account permissible with a treasury or bank by officers of the Telegraph Department is that of the amount of letters of credit granted in the sub-divisional officers’ favour. (Arts. 523 and 524.)

Q. 314.—How are payments made to Telegraph Officers at treasuries and how are they adjusted in the accounts ?

A.—Payments are made to telegraph officers at treasuries on presentation of certain prescribed documents. The issues of money from treasuries are made only to, or by order of, officers in recognized charge of offices or sub-divisions, and are entered in the treasury accounts as remittances from the treasury officer to the Telegraph Department. (Art. 525).

Q. 315.—How are funds supplied by Treasury officers to the Telegraph Department.

A.—Money is obtainable from treasuries in one or other of the following ways:—

- (1) On presentation of salary or travelling allowance bills each of which must be accompanied by a separate receipt for the net amount to be paid in money.
- (2) On presentation of certificates signed by the Local Chief Superintendent of Telegraph, that a certain sum is required to make up an officer’s balance to the prescribed amount allowed to him.
- (3) On presentation of certificates that money is required for advances to persons transferred, or for refund of deposits.
- (4) On cheques against letters of credit.
- (5) In transfer receipts.

- (6) In case of emergency, treasury officers may advance funds, not exceeding Rs. 250 at a time, in recoupment of an imprest or for a personal advance on the authority of a telegraphic communication from the Chief Superintendent of a Division. (Art. 526.) . .

Q. 316.—On what authority are contingent or imprest certificates and travelling bills of Telegraph officers passed ?

A.—Contingent or imprest certificates and travelling bills are paid only on the countersignature of the Chief Superintendent of Telegraphs and travelling bills must be signed by an officer holding a distinct charge. (Art. 531.)

Q. 317.—How are Telegraph Officers supplied with funds to meet extraordinary expenses, and how is the amount drawn.

A.—Extraordinary expenses will be drawn by officers of the Telegraph Department on cheques against letters of credit to be issued in their favour by provincial Accountant-General. (Art. 536.)

The Examiner of Telegraph Accounts should apply to the local Accountant-General concerned for a letter of credit in favour of the officer who requires the money on the treasury from which he can most conveniently draw it. (Art. 537.)

Q. 318.—What is the period during which such authority is current ?

Each letter of credit, when granted, will remain available until the end of the official year in or for which it is issued, with the exception that undrawn balances will lapse at the expiration of six months from the date of the last payment made against the credit. (Art. 538.)

Q. 319.—State the rules in regard to the transactions of Telegraph officers with sub-treasuries ?

A.—Telegraph officers may obtain funds from sub-treasuries by means of cheques, which should be distinguished by different numbers and letters from those drawn against the

treasury. In such case, the telegraph officer should give notice to the Treasury officer, from time to time, of the probable amount of his drawings on such sub-treasuries, in order that funds may be duly provided.

Whenever money is sent to the sub-treasury office, the telegraph officer will send it must forward with each remittance a pass book which will be a simple memorandum book with date, particulars, and amount of remittance; and place for initials of the Treasury officer. (Arts. 542 and 543.)

Q. 320.—What are the rules for the supply of Telegraph stamps and the adjustments of accounts relative to their sale?

A.—Telegraph stamps are supplied up to sanctioned permanent amount to telegraph masters without payment. Their value is not credited in the treasury account, but deducted in the *plus* and *minus* memo. of telegraph stamps, the deduction being supported by the telegraph masters receipt and the sanction. The transaction is also entered in the monthly account sent to the Superintendent of Stamps, accompanied by the duplicate receipts of the telegraph masters. (Art. 546.)

When treasuries are closed for the holidays of more than one day's duration, Treasury officers are authorized to advance to local telegraph masters without payment and in excess of the ordinary imprest, such telegraph stamps as the Divisional Chief Superintendent of Telegraphs may consider necessary. (Art. 547.)

These temporary advances are to be adjusted immediately on the re-opening of the treasury by the return of the unused stamps, and the money value of those sold. The cash received will be credited in the cash book as proceeds of telegraph stamps sold, and the full amount of stamps advanced will be shown as returned to the monthly account sent to the Superintendent of Stamps and added in a separate entry to the *plus* and *minus* memorandum. (Art. 548.)

CHAPTER. 28.

SERVICE FUNDS.

Q. 321.—What are the different funds included under “Indian Civil Service Funds” ?

A.—Indian Civil Service Funds include the following :—

(1) Annuity funds.

(2) Civil funds.

(3) Indian Civil Service Family Pension Regulations.
(Arts. 550 to 553.)

Q. 322.—Who is responsible for the amount of fund deductions from salary or pension bills ? and whose sanction is necessary for the refund on account of service funds ?

A.—In the case of annuity fund deductions of Covenanted Civil Servants, and deductions on account of the Indian Civil Service Family Pension Regulations from all Covenanted Civil Servants who were appointed in 1881 or subsequent years the treasury officer is responsible for seeing that the proper deductions is made. In other cases the responsibility rests with the drawers of the bills.

No refunds may be made without the express authority of the Comptroller, India Treasuries. (Arts. 549 to 553.)

Q. 323.—How is an over-deduction from the pay of a Covenanted Civil Servant on account of a Civil fund adjusted ? And under whose authority the pension of incumbents of the Civil Funds are paid ?

A.—An over deduction from the pay of a Covenanted Civil Servant on account of a Civil fund is adjusted by short deduction in a subsequent bill. (Note 1 to Art. 551.)

The Pensions of incumbents on the Civil Funds are paid under special orders of the Comptroller, India Treasuries. (Art. 552.)

Q. 324.—To whom are the Bengal and Bombay Uncovenanted Service Family Pensions Funds open ? Can one subscribe to both the Funds ?

A.—*The Bengal Fund* is open to all Christian men in the Service of the Imperial and Provincial Governments in India and Government pensioners between the age of eighteen and seventy. *The Bombay Fund* is open to the following classes of persons, not being members of the Indian Civil Service, or of the Army:—

- (1) All persons in the service of Government employed on Civil duties in public offices within the Bombay Presidency without distinction of creed or country and whose service qualifies for pension from Government.
- (2) Persons originally of the above class receiving pensions from Government.
- (3) Persons employed by the Government of India in Imperial Departments, whose services qualifies for pensions from Government, whose employment is not restricted to any particular province, but who are liable to serve in any part of India.
- (4) Persons employed in Local Fund offices within the Bombay Presidency, whose service qualifies for pension from the General Revenues.

Note.—No person may subscribe to both Funds. (Art. 560.)

Q. 325.—How are subscriptions on account of Bengal and Bombay Service Family Pension Fund received?

A.—Such subscriptions are received both in cash and by deductions from pay-bills, but it is compulsory on subscribers admitted after 9th September 1879 to pay their subscriptions by deduction from their pay or pension bills. (Art. 516.)

Q. 326.—What are the rules relating to the management of the Hindu Family Annuity Fund?

A.—Subscriptions on account of the Hindu Family Annuity Fund will be received by Treasury officers under special instructions of the Accountant-General and under certain conditions of the terms offered by the Government of India. On receiving from the Directors a certified copy of the letter

of application of an intending subscriber, the Accountant-General after seeing that it contains an acknowledgment, will give authority to the Treasury Officer named to receive such contributions as the subscriber may tender in cash or by deduction from pay, if he be a Government servant and prefer to so make payment.

Q. 327.—What are the rules relating to Post Offices Insurance Fund?

A.—Premia or subscriptions on account of the Fund are usually received by deduction from pay bills, but in certain circumstances payment in cash is allowed. Such payments, however, can be received only at Post Offices and must in no case be received at treasuries, nor may payments on account of the fund be made at Government treasuries.

Deductions from pay bills may be made only under instructions communicated to the insured persons superior officer by the audit officer of his Department, who will similarly communicate any commutation by the insured person of his future subscriptions for a lump payment or surrender by him of his policy or contract. A superior officer will, therefore, allow no deductions on account of premia or subscriptions to be made from pay bills except on account of those duly authorised to subscribe. (Art. 565-A.)

CHAPTER 29.

COIN.

Q. 328.—What coins are legal tender and to what extent?

A.—The Sovereign Gold, Silver, and Copper.

The sovereign, rupee and half-rupee are legal tender to any amount. Double pice (half-anna), single pice, half-pice, and pie are legal tender only for fractions of a rupee. (Art. 566.)

Q. 329.—Can gold coins be received into treasuries? If so, under what conditions?

A.—Sovereigns and half-sovereigns (of the Royal Mints of England and Australia) at a rate of Rs. 15 and Rs. 7-8-0, respectively, may be taken provided they weigh 122-5 and 61-125 grains respectively. (Art. 567.) Free use of silver for copper of not less than Rs. 2. (Art. 570.)

Q. 330.—What precautions are taken to prevent legal tender copper coins from circulating at a discount? And what must be done if, at any time, such coin is found to circulate at a discount?

A.—Legal tender copper coins received by the banks will be subject to the operation of the ninth clause of the agreements with the banks; and the Comptroller-General or Accountant-General, as the case may be, will, under the fifth clause of those agreements, pass bills for the cost of remitting elsewhere any surplus legal-tender copper coin which may accumulate in any bank or branch bank. (Note 1 to Art. 570.)

If, legal tender copper coins does, at any time, or any where, circulate at a discount the circumstances should be reported to the Local Government, and by the Local Government to the Government of India, with full explanation of the supposed causes of it and of the measures taken to remedy it. (Art. 571.)

Q. 331.—State the conditions of currency of silver coin?

A.—(a) The rupee and half-rupee shall be a legal tender in payment or on account, if the coin has not lost more than two per cent. in weight and also that it has not been clipped or filed, or defaced or diminished otherwise than by use.

(b) The quarter-rupee and eighth of a rupee shall be legal tender only for fractions of a rupee if it has not been clipped or filed, or defaced or diminished otherwise than by use.

Q. 332.—What rules are laid down in the Civil Account Code to prevent copper coin circulating at a discount. To what extent is such coin a legal tender and should it be

ever refused to persons applying for it in exchange for silver or notes?

•A.—To prevent copper coin circulating at a discount, the Government of India have directed the free issue of silver in exchange for legal tender copper coin in parcels of the value of ~~not~~ less than two rupees at any Treasury, sub-treasury, and currency office throughout British India and also at the Presidency Banks and their branches.

Whenever large bodies of men are assembled on public works under construction for purposes of famine relief or otherwise, the local authorities should make special arrangements to supply silver on the spot in exchange for the legal tender copper coin which may be collected by the purveyors or foremen at such assemblages. (Art. 570.)

Copper coins will be received in payments to Government to any amount, although they are legal tender only for fractions of a rupee. (Art. 568.)

Copper coins should be issued freely to persons asking for them, either in payment of claims against Government, or in exchange for rupees or for currency notes which the treasury may be cashing. There should be no objection to issuing such coin as long as there are any in stock. (Art. 569.)

Q. 333.—Explain Legal Tender in India.

(c) *Legal Tender (in India)*. The Sovereign, the rupee and half rupee shall be a legal tender in payment or on account; Provided that the coin has not lost more than two per cent. in weight: Provided also that it has not been clipped or filed, or defaced or diminished otherwise than by use.

The quarter rupee and eighth of a rupee shall be legal tender only for fractions of rupee, subject to the second proviso mentioned above. (Art. 573.)

Q. 334.—What is the procedure prescribed for the receipt and examination of a specie remittance? How are rejected coins disposed of?

* A.—Immediately on the arrival of a remittance of specie, credit for the invoiced amount should be given in the cash book, and advice (as prescribed in Art. 661) sent to the Accountant-General, the place whence the remittance is received being entered in the cash book, with the same specification as is prescribed for the advice. If the remittance be from a mint or treasury, or small coin depôt or sub-depôt, in another province, the receiving Treasury Officer will still send the advice to the Accountant-General of his own province. A copy of the receipt given to the escort officer will be sent by post on the same day to the despatching Treasury.

The remittance must then be examined in detail and when the detailed examination is complete, a formal receipt will be sent to the despatching officer. If the examination be not complete before the despatch of the cash balance report, note should be made thereon that the remittance is not yet examined.

Uncurrent coin found in the detailed examination of a remittance should be dealt with under the rules in chapter 29, i.e. (counterfeit coins found in a remittance should be broken and returned to the remitter, though in the case of a remittance to a bank unaccompanied by a potdar, the bank might agree to realise the value of the metal and credit the remitting treasury. (Art. 580.)

Q. 335.—Who are the persons authorized to cut or break silver coin and under what circumstances can they do so?

A.—When any silver coin purporting to be coined and issued under the authority of the Government of India is tendered to any officer authorized by the Governor-General in Council or the Local Government who has reason to believe it to have lost, by reasonable wearing, more than two per cent. in weight, or to be counterfeit, or to have been reduced in weight otherwise than by reasonable wearing, to be called or he may cut or break such coin. (Art. 575.)

The following officers are authorized to cut or break such silver coin:—

- (1) Every officer in charge of a District Treasury.
- (2) Every Assistant Collector, Deputy Collector, Assistant Commissioner, or Extra Assistant Commissioner in charge of a sub-treasury.
- (3) Every Commissioner, Deputy Commissioner, Assistant Commissioner of the department of paper currency.
- (4) The Mint Masters, Calcutta and Bombay.
- (5) The Secretary and Treasurer of each of the Presidency Banks and every agent in charge of a branch of any of the said banks and some others. (Art. 576.)

Q. 336.—What has to be done in each case with coins presented at a Treasury.

- (1) Counterfeit or fraudulently reduced coin.
- (2) Coin called in by proclamation.
- (3) Coin reduced by reasonable wear.
- (4) Defaced and shroff-marked coin.
- (5) Defective silver coin.

A.—(1) When any counterfeit or fraudulently reduced coin is tendered to a Treasury Officer, he should cut or break such coin, and return the pieces to the person tendering the coin. (Art. 579.)

(2) When any silver coin purporting to be coined and issued before 1st September 1835, under the authority of the Government of India, is tendered to a Treasury Officer, he should cut or break such coin, and at the option of the person tendering the coin, return to him the pieces, or retain them and give credit for them at the rate of one rupee per tola. (Art. 582.)

(3) When any rupee or half-rupee is tendered to any Treasury Officer who has reason to believe it to have lost by reasonable wearing more than two

per cent. in weight, he should receive such rupee or half-rupee at its full nominal value, but should immediately cut or break it. (Art. 583.)

A quarter-rupee or an eighth of a rupee should, when tendered to such an offer, be accepted as legal tender for a fraction of a rupee, even though it may have lost, by reasonable wearing, more than two per cent. in weight; such a coin should not be withdrawn from circulation, unless by reason of the obliteration of the device upon it, or for any other reason, it appears to be unfit for circulation, in which case, it should not be cut or broken. (Art. 584.)

Note.—It should be sent to the Master of the Mint of Bombay or Calcutta, or to any principal treasury appointed by the Accountant-General or Comptroller to receive such coin for remittance to the Mint. (Art. 588.)

- (4) Defaced coin otherwise than by shroff marked should not be cut or broken but should be returned to the tenderer. Silver coin that has been defaced or diminished only by shroff-marks should be received at its full nominal value; it should not be cut or broken, but should be withdrawn from circulation and sent to the Master of the Mint at Bombay or Calcutta, or to any principal treasury appointed by the Accountant-General or Comptroller to receive such coin for remittance to the Mint.
- (5) Defective coins.

Q. 387.—What are the rules for the disposal of uncurrent silver coins received by a Government Officer and officers other than Government.

A.—Such uncurrent coins received by Government Officer should be forwarded to the Master of the Mint at Bombay or Calcutta, or to any principal treasury appointed by the

Accountant-General to receive such coins for remittance to the Mint. Such coins will be credited in the officer's cash balance as "uncurrent coin" at the actual value at which it has been received, and on transfer to the Mint will be credited at the rates prescribed in the rules, any loss incurred in recoinage being taken as a charge of the Mint.

Uncurrent silver coins received by an officer other than a Government Officer should be sent to the nearest Government Treasury, where they will be paid for at the rates prescribed in the rules and thereafter they will be dealt with in the manner prescribed in the above rule. (Arts. 588 and 589.)

Q. 338.—What are the rules laid down by the Government of India for the receipt at the Mint of cut coins from Railways in India?

A.—The following are the rules :—

- (a) Remittances to the Mint, which may be made at such intervals as are found convenient, should, as far as possible, be in quantities weighing, not less than 500 tolas at a time.
- (b) A deduction of one per cent. will be made by the Mint Master on account of melting charges subject to a minimum charge of Rs. 2.
- (c) The Mint Master will, after the coin has been melted, prepare an outturn certificate showing the value of the melted bullion at the market price of silver and forward it to the Examiner of Accounts concerned. A copy of the certificate will also be sent to the Comptroller, India Treasuries, in the case of the Calcutta Mint, and to the Accountant-General, Bombay, in the case of the Bombay Mint.
- (d) The Examiner of Accounts, will, on presentation of the certificate at the local treasury, obtain payment of the value of the bullion remitted to the Mint as shown therein (Art. 590-A.)

Q. 339.—How should a Treasury Officer deal with coins reduced by reasonable wear, when tendered at a treasury ?

A.—Coins reduced by reasonable wear shall be received at its full nominal value but shall immediately be cut or broken. (Art. 583.)

Q. 340.—What are the conditions of currency of silver coin and how is uncurrent silver disposed of ?

A.—Condition of currency of silver coin—Act XXIII of 1870 provides that :—

- (1) The rupee and half rupee shall be a legal tender in payment or on account: provided that the coin has not lost more than two per cent. in weight;

Provided also that it has not been clipped or filed, or defaced or diminished otherwise than by use

- (2) The quarter-rupee and eighth of a rupee shall be legal tender only for fractions of a rupee, subject to the second provision mentioned above. (Art. 573.)

Silver coin received by Government Officers and withdrawn from circulation shall whether or not it has been cut or broken under the existing rules, be sent by the first convenient opportunity to the master of the Mint at Bombay or Calcutta, or to any principal Treasury appointed by the Accountant-General or Comptroller to receive such coin for remittance to the Mint. Such coin will be credited in the officer's cash balance as "uncurrent coin" at the actual value at which it has been received, and on transfer to the Mint will be credited at the rates prescribed in these rules, any loss incurred in recoinage being taken as a charge of the Mint. (Art. 588.)

Silver coin received by an officer other than a Government Officer and withdrawn from circulation should, whether or not it has been cut or broken, be sent to the nearest Government Treasury. (Art. 589.)

Q. 341.—What copper coin is treated as uncurrent and how is the uncurrent copper coin disposed of?

A.—No copper coin, which was coined before Act XXI of 1835 came into force, shall be re-issued either by the Presidency Banks or from any Government Treasury. Copper coins will be received without objections, however greatly worn which bears any trace of Government mintage. Nor shall copper coin be re-issued if the device upon it has become so faint as to make it likely that it will become obliterated before another opportunity arises for withdrawing it from circulation. (Art. 592.)

Uncurrent copper coins lying in a treasury, depôt or sub-depôt in the interior should under instruction from the Local Accountant-General be cut in half and sold as old copper either on the spot, or in some other market if, after allowing for the cost of carriage, a better price can be obtained there. (Art. 593.)

Uncurrent copper coin should not be sent to the Mint unless the operation is profitable.

In some places it may be possible to meet up such coin more cheaply than to break it. (Art. 595.)

Q. 342.—What copper coin is uncurrent and give the rules prescribed for the receipt and disposal of such coin?

A.—No copper coin, which was coined before Act XXI of 1835 came into force, shall be re-issued either by the Presidency banks or from any Government treasury nor shall copper coin be re-issued if the device upon it has become so faint as to make it likely that it will become obliterated before another opportunity arises for withdrawing it from circulation. All such coins which come into the *ex-officio* possession of any Government Officer, or of the Presidency Banks, may, with the previous sanction of the Accountant-General, be returned into Store at the nearest depôt or sub-depôt. (Art. 592.)

Uncurrent copper coins lying in a treasury, depôt or sub-depôt in the interior, should, under instructions from the Local Accountant-General, be cut in half and sold as old copper,

either on the spot or in some other market if, after allowing for the cost of carriage, a better price can be obtained there. (Art. 593.)

Q. 343.—When may foreign coins be received ?

A.—Generally speaking, coin of British Indian mintage only is received in treasuries. But troops returning from a campaign, where they have been paid in foreign money, are allowed to exchange it at the Treasury nearest the frontier (or at the next, on a certificate that the frontier Treasury has not sufficient funds) at the rate of exchange at which it may have been issued to the troops; the Officer Commanding the troops or detachment certifies the rate, and also the fact that the coin has been issued in part of pay. (Art. 597.)

Q. 344.—Explain the object and working of small coin depôt.

A.—*Small Coin Depôt*.—Depôts and sub-depôts for the custody of small coin have been established at currency offices, treasuries and other places. Where such a sub-depôt is in charge of a Collector or Treasury officer the balance, the accounts and the transactions must be entirely separate from those belonging to the treasury, (Art. 599), no coin may be paid into, or out of a small coin depôt or sub-depôt without the orders of the Accountant-General and no small sum than Rs. 10,000 may be paid into one without the sanction of the Comptroller-General (Art. 600.)

The account of the depôt or sub-depôt will be kept in Form 79, every transaction being entered at the time of its occurrence, and the new balance deducted. (Art. 601.)

On every day on which a transaction occurs, a slip, being a copy of the entry of the transaction in the account, with the balance before and after it, will be despatched to the Accountant-General. (Art. 602.)

Q. 345.—What are the rules laid down in the Civil Account Code for the storage of coins at treasuries ?

A.—The following are the authorized methods of storing coin in strong rooms in treasuries:

(1) In bags of uniform contents, placed in strong iron bones or safes, or wooden chests, or built recesses or wells, each of which has two independent locks, both of which must be opened before access is obtained to the contents. One of the keys to remain in charge of the treasurer, the other of the gazetted officer in charge.

(2) In bags of uniform contents piled upon trestles. This method is not admissible unless every door, window, drain, sky light, ventilator or other aperture in the walls of the strong room are so closed as to prevent the insertion of any rod or instrument within the room.

(3) Temporarily in bones prepared for remittance, in the manner prescribed in Art. 644. (Art. 603 b.)

Q. 346.—State the rules prescribed for storage of coins in strong rooms ?

A.—The following are the rules :—

- (1) The door of the strong-room must have double locks, one of the keys to be kept by the Treasury officer and the other by the treasurer.
- (2) Without the special permission of the Local Government, no place shall be used as a strong-room unless it is first certified to be secure and fit for use as such by an Officer of the Public Works Department not under the grade of an Executive Engineer.
- (3) The District Superintendent of Police, or the Commanding Officer of the Guard, if a Military one, shall record an order prescribing the position of the sentries and may also require any additional precautions to be taken in the strengthening of fastenings, burning of lights, &c., but the responsibility for the security of the building and its fixtures shall remain with the Executive Engineer and that for the security of chests, &c., shall remain with the officer in charge of the treasury.

- (4) Copy of the Executive Engineer's certificate and of the District Superintendent's (or Commanding Officer's) order shall be suspended in a conspicuous place within the strong-room.
- (5) The Executive Engineer's certificate will be in force for twelve months only and will be renewed when the period is expired.
- (6) The doors and windows of the strong-room shall remain permanently closed and locked, except during the time necessary for moving coin or other valuables into or out of it.
- (7) As an exception to the above rules, the opening of the shutters is permitted during office hours, in the aperture which is otherwise barred, if it is necessary for the admission of light or air to any other part of the building, provided that coin or valuables remain securely packed under lock and key. (Art. 603.)

Q. 347.—State the rules prescribed for the management of reserve treasuries and currency strong-rooms ?

A.—The following rules apply to the management of reserve treasuries and currency strong-rooms :—

- (a) The bulk of the coin is to be kept in a reserve strong-room, of which one of the keys, both of the room and of the boxes, remains in custody of the Accountant-General or Deputy Commissioner of Currency ; the other in charge of the treasurer. Every such strong-room in addition to being locked shall be sealed ; and the outer room must never be opened, shut, sealed or unsealed, otherwise than in the presence of the Non-Commissioned Officer in charge of the Guard.
- (b) Coin sufficient for carrying on the work for a fortnight shall remain in charge of the officer of the treasury or currency, the bulk of this being kept

in a strong-room under the double lock of the officer in charge and treasurer. • •

- (c) When the officer in charge desires access to the reserve strong-room, he should apply to the Accountant-General or Deputy Commissioner for the keys of that room which will be sent to him in a closed box or cover or will be delivered personally.
- (d) After each visit to the reserve strong room, the officer in charge will return the keys to the Accountant-General or Deputy Commissioner and will report upon the state of the strong-room, the locks and the seals.
- (e) The reserve strong-room must never remain for twenty days continuously without being visited and inspected.
- (f) The requisition and the reports will be kept in a book set apart for the purpose and in the custody of the officer in charge. (Art. 604.)

CHAPTER 30.

CURRENCY NOTES.

Q. 348.—What are the general rules regarding the receipt and issue of Government currency notes at a treasury ?

A.—Payment of Government dues can be made in Government currency notes of any issue, irrespective of presidency or circle. Railway companies too will receive notes of any circle in payment of fares and freights and the officer in charge of a treasury into which such company pays its earnings will receive notes so earned. (Art. 606.)

- (1) A Treasury Officer may supply to all comers, without enquiry as to their intentions, such notes as he may have fit for issue.
- (2) Whenever the Treasury Officer is satisfied that no inconvenience can be caused to the treasury by the encashment of any notes likely to be

presented, a placard in English and the vernacular notifying that he is prepared to give cash for notes should be exhibited in some conspicuous place.

- (3) At deficit treasuries currency notes ought not to be cashed except so far as it can be done without expense or inconvenience.
- (4) Notes, home and foreign, to a limited extent may be cashed for the convenience of travellers when the treasury is unable to cash them for the general public.
- (5) Out notes should never be issued to the public without being first joined by a narrow strip of paper gummed across the whole breadth. (Arts. 608 and 609.)

Q. 349.—When should a branch of a Presidency Bank's cash currency notes free of charges and how are such note, disposed of ?

A.—When an Accountant General is prepared to lay down a named amount of silver free at a branch of a Presidency Bank, that branch will cash, free of charge, notes of all circles up to the named amount ; the notes would be held apart from, and above, the ordinary balance, and be remitted to such treasury as may be agreed on. (Art. 610.)

Q. 350.—What are the rules for the custody and issue of currency notes.

A.—Notes that require registration must be kept in the order of receipt, in bundles according to denomination, each bundle containing not more than 100. They must be re-issued to the public, or remitted to another treasury in the same order. If any such notes are under double locks, the treasurer must hand over all his receipts to be placed under double locks, and may issue only such notes—namely, those which have been longest in the Treasury officer's custody—as are delivered to him for the purpose.

If notes are received in a remittance by halves, the Treasury officer will join them; they are re-issuable, if not otherwise defective. Damaged notes should be separated from the good ones, and should not be re-issued; and notes mutilated, altered, or wrongly joined, should be refused. (Arts. 612 and 613.)

Q. 351.—How are non-issuable notes disposed of by Treasury officers?

A.—Notes that are much soiled or worn should not ordinarily be re-issued to the public, but sent to the Treasury at the head-quarters of the local Government (or other treasury named by the Accountant-General) in the first remittance made thither. The Treasury Officer at the head-quarters of the currency circle will exchange all cut notes he receives for whole ones. When there are in a treasury notes of other circles not fit for issue, they should be cut and remitted by halves to the treasury at head-quarters of the currency circle, who will cash them at the currency office, if it is cashing foreign notes, or else will remit them under instructions from the Accountant-General, to Calcutta, Madras or Bombay. (Arts. 146 and 616.)

Q. 352.—Describe the procedure to be adopted when a currency note of which notice of stoppage has been received is presented, and what is the opinion of the Advocate-General, Calcutta, on the point?

A.—If a note be presented of which notice of stoppage has been received, the presenter should be asked his name and address, the name and address of the person from whom he received the note, and the circumstances under which he received it; but unless his answer give ground for doubt that he came by it honestly, it should be accepted, though a notice should be given to the Police and to the office of issue, that a certain lost note has been presented. That office will remove the note from the list of lost notes, and will place the loser in communication with the police, but then will leave him to take such action as seems to him good.

. . The following is, the opinion of the Advocate-General, Calcutta, on the point :—

If any Government Treasury officer receives a currency note of the alleged loss of which he has received notice, he should enquire of the person tendering it in payment as to the circumstances under which he got the note. If he gave value for it, and there is no reason to suppose from his statement that he received it otherwise than in good faith, it should be accepted by the Government officer as a good legal tender.

A person who takes the note in good faith, and for consideration, will have a title to it, notwithstanding he may have seen it enumerated in the list of lost or stolen notes. But, if he takes the note with knowledge of its having been advertised, and does not make reasonable enquiry,—that is, if he takes it under such circumstances as would fix on him the suspicion of participation in the fraud,—he could not make a good title to the note. And it follows that, if he takes the note otherwise than in good faith, it is not a good payment, and he may, and ought to, refuse it as a legal tender, unless he has reason to believe that the person tendering it to him has come by it honestly.

Q. 353.—How many registers should be kept for the purpose of recording the issue and receipt of currency notes ? What particulars should be recorded in them ?

A.—For each denomination of notes, of the value of Rs. 50 and upwards, two registers should be kept, one for notes of the home circle, the other for notes of other circles, wherein the name of every person presenting or receiving a note, and every note received, whether from the public or from another treasury, should be recorded. The number of the series, and the number of the note should also be entered in the column provided for the purpose. (Arts. 617 and 618.)

Q. 354.—What are called defective notes and what should a Treasury officer do when a mis-matched note is presented at a treasury,

A.—Half mutilated, mismatched or altered notes are called defective notes. Such notes should never be received in payment of Government dues or cashed. The holder should be advised to apply to the currency office of the circle to which the notes belong for instructions regarding the procedure under which the value of such notes can in some cases be recovered. (Art. 621.)

Q. 355.—What is the course adopted by a currency officer when a person claims payment of a note which has been lost or wholly destroyed?

A.—When a person claiming payment of a note which he is unable to produce can satisfy the Head Commissioner beyond all reasonable doubt that the note (which must be absolutely identified) has either been destroyed or lost under such circumstances, that there is no probability of its ever being presented for payment, the Head Commissioner may direct as follows:—

- (1) That after two years from the first advertisement of the loss, the value of the notes may be paid by the currency officer, and invested, if possible, in Government securities, or, if the amount is too small, then paid into the Government Savings Bank.
- (2) That after twenty years from the date of advertisement, if meantime the note has not been presented for payment, the said investment, with accumulated interest (or the said deposit, if no investment has been made) be delivered to the claimant or his assignee, or other legal representatives, upon a bond of indemnity with two personal sureties attached.

Claimants in respect of notes so lost or destroyed should be informed accordingly, and should be advised to apply to the currency office of the circle to which the notes belonged. (Art. 622.)

Q. 356.—How often should a return of the receipt and issue of currency notes be submitted to the Accountant-General? What test should be applied to the register

kept to assist in the preparation of the above return to ascertain whether it has been correctly kept ?

A.—The return should be submitted quarterly to the Accountant-General.

The test is that the opening balance plus total of receipts should be equal to the closing balance plus total of issues. (Art. 624.)

Q. 357.—What rules are prescribed for the management of currency agencies ?

A.—The following are the rules for the management of currency agencies :—

- (1) The currency chest should not be opened daily ; once a week or even once a month will suffice. The ordinary exchanges with the public should be made by the Treasury ; the currency chest being used as a reserve when the proportion of notes or coin in the treasury becomes inconveniently large. (Art. 628.)
- (2) The notes issued from each agency will be distinguished by a small stamp impressed at the circle office, shewing the number assigned to the agency ; such notes should never, save in very exceptional circumstances, be refused encashment at the office where they were issued. If notes are brought from a distance in such quantities as to absorb the whole amount of the coin available, the Treasury officer should take care to cash at the currency chest such an amount of the notes held in his treasury balance as will liberate an amount of coin sufficient to meet these local notes tendered for exchange. Such necessity should at once be reported to the head office of the circle. (Art. 629.)
- (3) The currency chest book, or a duplicate of it, should be kept in the chest, and the balance

proved, and signed at every transaction. A slip in the same form signed by the treasurer and officer holding the second key, must be sent to the head office of the circle whenever the chest is opened. Any transactions in notes of foreign circles should be entered in *red* ink, and on the reverse of the slip should be shewn details of the circles to which they belong.

- (4) Copper coin must never be deposited in the chest, but a reasonable portion of the reserve may be kept in the form of small silver coin.
- (5) The exchanges which the chest should be always in even hundreds of rupees and the transaction should, if possible, be avoided in the last few days of the month, so that the correct closing monthly balance may always be known at the head office.—If important exchanges take place too late for the slip to reach the head office by post, the transaction should be telegraphed shortly to Currency Commissioner.
- (6) The currency chest balance should be verified monthly except when it is deposited with a branch of a Presidency bank in which case the balance need be verified on March 31st, and September 30th. (Arts. 623 and 633.)

Q. 358.—What are the general rules regarding the receipt and issue of Government currency notes at a treasury ?

A.—(1) Payment of Government dues can be made in Government currency notes of any issue, irrespective of presidency or circle. Railway companies too, will receive notes of any circle in payment of fares and freights, and the officer in charge of a Treasury into which such Company pays its earnings will receive notes so earned (Art. 606.)

- (2) A treasury officer may supply to all comers without enquiry, as to their intentions, such notes as he may have fit for issue. (Art. 608.)
- (3) Although no person has a legal claim to obtain cash for a note presented at a Government Treasury, Government desires that this accommodation be given when convenient. (Art. 609.)

Q. 359.—Has every one a legal right to demand cash for notes at a treasury.

A.—*Vide* Ans. (3) to Q. 358 *supra*.

Q. 360.—What are the rules about cashing currency notes presented at a Government Treasury and about the custody of notes in a treasury?

A.—Although no person has a legal claim to obtain cash for a note presented at a Government Treasury. Government desires that this accommodation be given when convenient. Accordingly, whenever the Treasury officer is satisfied that no inconvenience can be caused to the treasury by the encashment of any notes likely to be presented, a placard in English and the Vernacular notifying that he is prepared to give cash for notes should be exhibited in some conspicuous place. Care should be taken that no corrupt or undue preference be shown to any individual. (Art. 309.)

Home notes, if in good condition, may be re-issued as convenient. Those which require registration under Art. 617 must be kept in the order of receipt in bundles according to denomination, each bundle containing not more than 100; they must be re-issued to the public or remitted to another treasury, in the same order * * * (Art. 612.)

Cut notes should, before receipt, be joined by a narrow strip of paper gummed across the whole breadth, but if they are received in a remittance by halves, the Treasury officer will join them; they are re-issued if not otherwise defective. Damaged notes should be separated from the good ones, and

should not be re-issued and notes seriously mutilated, altered, or wrongly joined, should be refused. (Art. 613.)

Q. 361.—To what extent should a Treasury officer regulate the issue of home circle notes from this treasury? What does he do with foreign circle notes received?

A.—(1) A Treasury officer may supply to all comers without enquiry as to their intentions such notes as he may have fit for issue. (Art. 608.)

(2) Notes much soiled or worn should not ordinarily be issued to the public. (Art. 614)

(3) Notes of other circles will not ordinarily be issued, if however special application is made for such notes, and those in hand are in good order, there is no objection to issue. (Art. 615.)

(4) Foreign notes not fit for issue or not likely to be applied for should be cut and remitted by halves (See Art. 657, C..A. C.) to the treasury officer at the head-quarter of the currency circle who will cash them at the currency office, if it is cashing foreign notes, or else will remit them under instructions from the Accountant-General to Calcutta, Madras or Bombay. (Art. 616, C. A. C.).

Q. 362.—May a Treasury officer ever issue foreign circle notes?

A.—*Vide* Ans. 3 to Q. 361 *supra*.

Q. 363.—What procedure is to be observed by a treasury in receiving a currency note, and when may it be re-issued?

A.—The name of every person presenting or receiving a note of the value of Rs. 50 or upwards at any Government Treasury should be recorded. Accordingly for each denomination of notes except the lowest three, two registers in Form 81 should be kept one for notes of the home circle, the other for notes of other circles, wherein every note received, whether

from the public or from another treasury should be recorded accordingly.

If a note be presented of which notice of stoppage has been received, the presenter should be asked his name and address, the name and address of the person from whom he received the note, and the circumstances under which he received it; but unless his answer give good ground for doubt that he came by it honestly, it should be accepted, though notice should be given to the police, and to the office of issue, that a certain lost note has been presented. That office will remove the note from the list of lost notes, and will place the loser in communication with the police but then will leave him to take such action as seems to him good. (Art. 619.)

Notes much soiled or worn should not ordinarily be issued to the public but sent to the treasury at the head-quarters of the Local Government (or other treasury named by the Accountant-General) in the first remittance made thither. The Treasury officer at the head-quarters of the currency circle will exchange all cut notes he receives for whole ones. (Art. 614.)

Notes of other circles will not ordinarily be issued, if, however, special application is made for such notes, and those on hand are in good order, there is no objection to issue. (Art. 615.)

Q. 364.—Explain the term—Surplus Note Remittance.

A.—When there are in a treasury notes of other circles not fit for issue, or not likely to be applied for they should be cut and remitted by halves (see Art. 657) to the Treasury officer at the head-quarters of the currency circle, who will cash them at the currency office, if it is cashing foreign notes or else will remit them under instructions from the Accountant-General to Calcutta, Madras, or Bombay. (Art. 616.)

Q. 365.—What action should a Treasury officer take when a stopped note is presented for payment?

A.—If a note be presented of which a notice of stoppage has been received, the presenter should be asked his name and address, the name and address of the person from whom he

received the note, the circumstances under which he received it ; but, unless his answers give ground for doubt that he came by it honestly, it should be accepted though notice should be given to the police, and to the office of issue, that a certain lost note has been presented. That office will remove the note from the list of lost notes, and will place the loser in communication with the police but then will leave him to take such action as seems to him good. (Art. 619).

Q. 366.—What are “ Stopped ” currency notes ?

A.—Stopped currency notes are notes about the alleged loss of which notice has been received at a Government Treasury.

Q. 367.—When and how may payments be made on notes wholly destroyed ?

A.—The state is legally under no obligation to pay a currency note which cannot be presented, but when a person claiming payment of a note which he is unable to produce can satisfy the Head Commissioner beyond all reasonable doubt that the note (which must be absolutely identified) has either been destroyed or lost under such circumstances, that there is no probability of its ever being presented for payment, the Head Commissioner may direct : -

- (1) That after two years from the first advertisement of the loss, the value of the note may be paid by the currency officer and invested, if possible, in Government Securities, or, if the amount is too small, then paid into the Government Savings Bank.
- (2) That after twenty years from the date of advertisement, if meantime the note has not been presented for payment, the said investment, with accumulated interest (or the said deposit, if no investment has been made) be delivered to the claimant or his assignee, or other legal representatives, upon a bond of indemnity with two personal securities attached. (Art. 622.)

“Q. 368.—What is a paper currency agency? Give the rules as to the custody of coin and notes in it?”

A.—At some important stations currency agencies have been opened to afford facilities to the public for exchanging coin for notes, or notes for coin.

When the District Treasury is in charge of a branch of the presidency bank, the currency chest must be there too, being opened, when necessary, by the Treasury officer (Art. 625.)

A separate chest must be set aside for the currency department funds, the notes being placed in a tin box within it. The whole must be kept entirely distinct from the treasury balance.

This chest should always contain the same total amount. Coin may be taken out and notes deposited *vice versa*, or one description of notes or coin may be exchanged for another; but except under special orders of the Head or Deputy Commissioner of Paper Currency, the total amount in the chest must never be altered.

One key of the chest must be kept by the Collector or some other gazetted officer who is not in personal charge of treasury balance. (Art. 627.)

Q. 369.—Explain the object and working of temporary currency chest.

A.—A currency chest may be temporarily established at a treasury where none has hitherto existed, by an order issued under Art. 634 to transfer coin from treasury to currency. In such case the coin must be held quite separate from the treasury balance, under Art. 627; a currency chest book must be opened, a slip sent to the head office of the circle, and a verification of the balance made reported under Art. 633, except with the permission of the Commissioner or Deputy Commissioner of the circle; exchanges of coin for notes may not be made at a temporary currency chest opened under the last rule. (Art. 635.)

CHAPTER 31.

RESOURCE AND REMITTANCE.

Q. 370.—Describe, briefly, the method of preparing a resource estimate.

A.—To enable the Accountant-General to keep the treasuries in funds, resource estimates are submitted to him by each Treasury officer, at the beginning of each month, of the balances, receipts, and expenditure of that and two succeeding months. These estimates should be prepared and despatched not later than the 3rd of each month. (Art. 638.)

Q. 371.—How are cash remittance classified?

A.—Cash remittances are of the following kinds:—

- (1) Money (*i.e.*, specie or copper coin or notes) is sent from treasury (or coin depôt) A, to treasury (or coin depôt) B.
- (2) A payment is made at treasury A, to a bank in consideration of an equal amount being received by treasury B from the same bank or a branch thereof.
- (3) A payment is made at treasury A to the Currency Department in consideration of an equal amount being received by treasury B from the Currency Department.

If treasury A and treasury B are in the same provinces, the remittance is a "Local Cash Remittance"; if they are in different provinces, the remittance is a "Foreign Cash Remittance." (Art. 639).

Q. 372.—Explain foreign remittance.

A.—*Foreign remittance* means cash remittance from a treasury in one province to a treasury in another province. (Art. 639.)

Q. 373.—Into how many kinds are cash remittances classified?

Distinguish between a local and a foreign cash remittance, and when is it the duty of the Accountant-General to say whether a remittance is "Local" or "Foreign"?

A.—Cash remittances are classified into three kinds:—

- (a) Money (*i.e.*, specie, or copper coin, or notes) is sent from treasury (or coin depôt) B.
- (b) A payment is made at treasury A to a bank in consideration of an equal amount being received by treasury B from the same bank or a branch thereof.
- (c) A payment is made at treasury A to the Currency Department in consideration of an equal amount being received by treasury B from the Currency Department.

If treasury A and treasury B are in the same province, the remittance is a "Local" cash remittance; if they are in different provinces the remittance is a "Foreign" cash remittance.

When an Accountant-General orders a remittance of the second or third kind above mentioned, he will always mention whether the remittance is "Local" or "Foreign." (Arts. 639 and 640.)

Q. 374.—When and how are specie remittances made from a treasury?

A.—Remittances of cash or notes to or from a treasury, are made only on orders (either standing orders or special orders) of the Accountant-General. (Art. 641.)

Treasure should be packed for remittance in stout bags, tied and sealed after a slip of paper has been placed in each, naming the treasury at which it was packed, the tale and description of the contents and the name of the person who counted the contents; the Treasury officer must satisfy himself generally of the contents of the bags and must see that the proper number of bags is placed in each box. (Art. 648.)

For journey by road the bags may be packed in treasure tumbrils or in large chests placed in carts, at the door of the treasury in the presence of the treasury officer; for journeys by rail or boat, and also (if convenient) for journeys by road, they should be packed in stout boxes capable of containing Rs. 4,000 to Rs. 6,000 each nailed down and bound with iron, without gunny covering or ropes, and the hoops should be rivetted or nailed together where they cross; every box should bear the name of the despatching treasury cut into or painted on it with a number. (Art. 644.)

Invoices will be prepared in triplicate and will state the marks on every tumbril or chest, the number and contents of each and the marks, gross weight and contents of every box; one copy should be retained, another should be despatched by post on the same day to the receiving treasury, and the third made over to the escort officer. (Art. 647.)

The escort officer will count the bags as they are being stowed in tumbrils or chests, or will see the boxes weighed. He will sign the receipt at the foot of each copy of the invoice as responsible for "bags packed in tumbrils, or boxes of marks and weights detailed above, said to contain coin to the value of Rs. "; the blanks will be filled up in words, and if the escort officer be ignorant of English, he should be required to write the numbers of the bags or boxes which he has received in the vernacular, on the copy of the invoice to be retained by the treasury officer. (Art. 650.)

Q. 375.—What are remittance orders and what should Treasury officers do on receipt of such orders?

A.—Remittance orders are remittances of cash or notes, that are made on orders of the Accountant-General, to or from a treasury.

Immediately on receipt of a remittance order from the Accountant-General, the police department should be informed of the kind and amount of the treasure to be remitted, and asked for a sufficient escort. Any officers on the line of march from whom assistance may be required should be advised by

the despatching office, which should also warn the receiving office of the exact date of expected arrival, in order that any necessary arrangements may be made such as provision of carts, or a guard of sufficient strength for treasure arriving by rail. (Arts. 641 and 642.)

Q. 376.—How should treasure be packed for remittance ?

A.—Treasure should be packed for remittance in stout bags, tied and sealed after a slip of paper has been placed in each, naming the treasury at which it was packed, the tale and description of the contents, and name of the person who counted the contents ; the Treasury officer must satisfy himself generally of the contents of the bags, and must see that the proper number of bags is placed in each box. (Art. 643.)

For journey by road the bags may be packed in treasure tumbrils, or in large chests placed in carts, at the door of the treasury in the presence of the Treasury officer for journey by rail or boat, and also (if convenient) for journey by road they should be packed in stout boxes capable of containing Rs. 4,000 to Rs. 6,000 each, nailed down and bound with iron without gunny covering or ropes and the hoops should be revitted or nailed together where they cross ; every box should bear the name of the despatching treasury cut into or painted on it with a number. (Art. 644.)

Q. 377.—Describe briefly the procedure to be allowed in making remittance of currency notes.

A.—When it is possible to send whole notes along with a specie remittance, or when notes not yet cut, to a considerable value, are being despatched between stations on the line of railway or along a road on which means of rapid transit are available, they should be placed flat between boards, wrapped in paper, folded in wax cloth and then carefully sealed. This parcel should be placed in a small wooden box, which should be securely fastened and sealed, and so secured should be made over to the guard furnished by the District Superintendent of Police under the regulations of his own department. Whole notes should never be remitted by post. (Art. 656.)

A small remittance, however, or one of notes already cut, may be sent by post. After completion of the invoice (Art. 659) the notes should be cut in half, the left-hand halves packed in paper and wax cloth, sealed, and despatched with the invoice by parcel post. The right-hand halves should be similarly packed at the same time and kept under double-locks till receipt of acknowledgment of the left halves, when the packet containing the right-hand halves should also be despatched by parcel post. (Art. 657.)

In packing parcels of notes for remittance from one treasury to another great care should be taken. Those of each denomination must be arranged in order of series and number, and, when a large supply of any denomination is being sent, they should be stitched by one edge into books of 100. Notes of different circles should be put up in separate bundles. The bundles should then be bound together in parcels as large as is consistent with Post Office Regulations, and a copy of the invoice, omitting the series and number of the notes must be packed up with each parcel. (Art. 658.)

Q. 378.—How are small remittances of cut currency notes made?

A.—Currency notes should be cut in half, the left-hand halves packed in paper and wax cloth, sealed, and despatched with the invoice by parcel post. The right-hand halves should be similarly packed at the same time and kept under double locks till receipt of an acknowledgment of the left halves, when the packet containing the right-hand halves should be despatched by parcel post. (Art. 657.)

Q. 379.—What are the rules prescribed for packing parcels of currency notes for remittance from one treasury to another?

A.—In packing parcels of notes for remittance from one treasury to another, those of each denomination must be arranged in order of series and number, and, when a large supply of any denomination is being sent, they should be

- stitched by one edge into books of 100. Notes of different circles should be put up in separate bundles. The bundles should then be bound together in parcels as large as is consistent with the Post Office Regulations (7,000 half notes can easily go in one parcel), and a copy of the invoice, omitting the series and number of the notes, must be packed up with each parcel.

If the remittance is made to the Reserve Treasury in Calcutta, or to the Branch Reserve Treasuries in Madras or Bombay, the name of the treasury and the date of the invoice should be stamped on the back of each note. (Art. 658.)

Q. 380.—What particulars are to be taken in preparing Invoice of Remittance of Currency Notes ?

A.—The invoice should set forth the detail of series and number under each denomination and circle, and should bear at foot a certificate from the Treasury officer that the parcel has been made up and sealed in his presence and that he has personally ascertained that its contents correspond with the invoice. (Art. 659.)

Q. 381.—What steps are taken at a treasury upon receipt of a specie remittance ?

A.—(a) Immediately on the arrival of a remittance of specie, credit for the invoiced amount should be given in the cash book, and advice (as prescribed in Art. 661), sent to the Accountant-General the place whence the remittance is received being entered in the cash book, with the same specification as is prescribed for the advice. If the remittance be from a mint or treasury, or small coin depôt or sub-depôt, in another province, the receiving Treasury officer will still send advice to the Accountant-General of his own province. A copy of the receipt given to the escort officer will be sent by post on the same day to the despatching treasury.

- (b) The remittance must then be examined in detail, and when the detailed examination is complete, a formal receipt will be sent to the despatching officer. If the examination be not complete before the despatch of the cash balance report, note should be made thereon that the remittance is not yet examined.
- (c) Uncurrent coin found in the detailed examination of a remittance should be dealt with under the rules in Chapter 29.
- (d) A remittance of notes is not to be credited till the second halves are received ; in this case detailed examination should involve no delay, and the formal receipt can be sent at the time of crediting the amount. The arrival of a parcel of notes or half notes must always be acknowledged by return of post.

Half notes should be kept under double locks. (Art. 663.)

If any deficiency is found in the detailed examination, and is not immediately recovered from the *potdar* in charge, it is to be charged in the cash book as a distinct item with full particulars as advances recoverable and the Treasury officer of the remitting treasury requested to recover the amount and credit it in his own treasury. (Art. 664.)

Q. 382.—If, on examination, a deficiency is found in the remittance, what action should be taken, and how should the deficiency be shown in the accounts ?

A.—If any deficiency is found in the detailed examination, and is not immediately recovered from the *potdar* in charge, it is to be charged in the cash book as a distinct item with full particulars, and the Treasury officer of the remitting treasury requested to recover the amount and credit it in his own treasury. (Art. 664.)

Q. 383.—What precautions are to be taken in loading treasure for despatch by rail ?

A.—When the Government treasure is loaded for despatch by rail the doors on one side of the wagons should, if possible, be secured from the inside, and all doors that can be opened from the outside should be secured by good padlocks. (Art. 666.)

The Treasury (or currency) officer will superintend, personally or by substitute, the loading of the vans, jointly with the police officer who is to travel in charge, and will hand to him a paper of instructions and as many blank receipts as there will be reliefs; for these documents he will take a receipt. (Art. 667.)

CHAPTER 32.

SPECIAL RULES FOR TREASURIES BANKING WITH A BRANCH OF A PRESIDENCY BANK.

Q. 384.—What are the books and accounts kept at the branches of the Presidency Banks; which is the most important of these and what particulars does it contain?

A.—The books and accounts to be kept will consist of:—

- (1) A scroll cash book.
- (2) A daily state, made up for despatch to the Collector.
- (3) An account in the general ledger, in the name of the Government of India.
- (4) A pass book, to be daily forwarded to and returned by the Collector.

The most important of these is the “scroll cash book,” being the primary record in which will be entered all receipts and disbursements on account of Government. The net amount only of documents paid, on which deductions have been made, will appear in this book, and except in the Madras Presidency, the total of each side will form the daily entries in the general ledger. (Arts. 679 and 680.)

Q. 385.—How are sums on account of Government paid into the branch banks and how are they accounted for? How long are chalangas valid?

A.—Any one who has money to pay on account of Government will tender the amount at the office of the Collector, accompanied by a chalan, or memorandum of particulars in duplicate (which, if necessary, will be prepared in the office). The officer entrusted with the duty of examining the chalans will, after examination, enter the chalan in the appropriate register of chalans issued (see Art. 705), and will write on both original and duplicate, the word "correct;" he will then affix his initials to the chalan with the date, specify the head of account, and return original and duplicate to the payer, who will proceed with them to the Bank. There the money will be received and credited to the proper head of account, and an acknowledgment granted to the payer on the original chalan, the duplicate being retained by the bank and forwarded to the Collector with the daily account. Chalans are valid only for such time, not exceeding ten days, as may be fixed by the Collector; if they are presented after the allotted time, the money will not be received by the bank until they are re-validated by the Collector. (Art. 684.)

Q. 386.—Where are the detailed accounts of Local Funds and Registers of Deposits maintained in places where there are branches of the banks and what should these banks do in such cases?

A.—The detailed account of local funds and registers of deposits are in the Collector's, Magistrate's and Judge's offices, the bank only receiving the amounts tendered in accordance with Art. 684 and crediting them under their proper designation. (Art. 687.)

Q. 387.—What is a supply bill and by what laws is it governed?

A.—A supply bill is a bill which is identical in form with an ordinary bill of exchange or draft. It is governed by the laws generally applicable to such instruments. (Note 1 to Art. 688.)

Q. 388.—How are civil charges on Government account made payable at banks and how long are payment orders

valid? What is the responsibility of the bank in connection with such payments?

A.—All charges for salaries, establishments, and contingent expenses of officers of the civil establishments,—that is, Judicial, Revenue, Medical, Education, Police, &c,—will be presented to the Collector, in the first instance, for examination. The Collector, if he approves and passes the charge, will enface on the bill an order to pay a specified amount, which order will be recorded in a register of payment orders issued, and will be numbered, dated, and signed. The bill will then be returned to the person presenting it, and will be paid at the bank in accordance with the Collector's order and for obtaining upon the bill a proper discharge from the payee. This discharge must be in addition to the signature at foot of the bill.

Payment orders are valid only for a time, not exceeding ten days, fixed by the Collector; if presented after the allotted time, they will be refused payment by the bank, until re-validated by the Collector. At provincial capitals, civil charges may be drawn on cheques issued by the Accountant-General or Comptroller in favour of the payee. (Arts 690 and 691)

Q. 389.—How is discount on sale of postage and other stamps adjusted in the accounts in the bank.

A.—Discount on sale of postage and other stamps is allowed by deduction from the amount paid in by the purchaser. The net amount will be received and brought to account under Art. 684, the receipted chalan being the payer's authority for receipt of the stamps from the Collector. (Art. 691.)

Q. 390.—What are the rules to be observed in the testing of remittances of coin made to agents of the bank from Government treasuries?

A.—The following rules are to be observed in the testing of remittances of coin made to agents of the bank from Government treasuries. They should be fully explained to the *potdars* in the charge of every remittance made to the bank.

- (a) Weighment of boxes must be made, when practicable, on receipt of a remittance from a mofussil treasury. The result of this weighment must be entered on the receipt given to the officer or potdar delivering over the remittance.
- (b) All treasure remittances from the mofussil will be examined in a room separate from the general business, or if a separate room cannot be made available, some distance apart from the general business.
- (c) The contents of each bag are to be emptied into another and passed through the scales.
- (d) Mofussil potdars must see that the index of the scales is steady before the contents are thrown out.
- (e) The treasure is then to be secured in separate chests and kept distinct from other treasure, under the joint keys of the bank's agent and of the mofussil treasurer's agent, until regularly examined and brought to account.
- (f) Nothing must intervene between the mofussil treasurer's agent and the bank's examining potdars, so that an uninterrupted view may be obtained by the mofussil agent of the examination of the treasure in his presence. The mofussil treasurer's agent should sit within the railed enclosure along with the bank's examining potdars.
- (g) Upon completion of examination of a remittance, light coins should be weighed against full-weight coins, and a certificate of the result granted on the spot to the mofussil treasurer's potdars.
- (h) Weighing and examining a remittance must be conducted separately, not simultaneously; the one must be completed before the other be commenced, unless when two potdars are deputed to represent a treasury.

- (i) If the work of weighing or examining be not finished within the day, all bags not finally taken over by the bank will be placed in chests under double keys, the one to be retained by the mofussil treasurer's agent, the other by the bank's authorities.
- (j) The bank potdars who commence weighing and examining a mofussil remittance must continue at the same duty until completion of the examination remittance, or such portion of it as has been taken over for examination; their places must not be filled by others unless through unavoidable sickness.
- (k) When a remittance is not accompanied by a potdar, the examination will be proceeded with by the bank's officers in usual course. But the bank agent is entitled to request the Collector to depute a clerk to be present at the examination, and to see that it is carried out by the bank with sufficient precautions.
- (l) The mofussil potdars, or agents, must, before finally leaving the bank, sign, in a book kept for the purpose, a memorandum of the uncurrent and spurious coins, and of any deficiency found after examination of their respective remittances.
- (m) Should mofussil potdars or agents find any of the above rules not complied with, or should impediments of any kind be placed upon a free and open scrutiny of the proceedings during the examination by the bank's officers or potdars, they are immediately to report the same to the bank's agent. (Art. 699.)

Q. 391.—What returns are to be submitted by each agent to the Accountant-General and when?

A.—The agent is required to send to the Accountant-General, at the close of each quarter, a report of the foreign circle notes received from the public during the quarter in payment of Government dues:—

- (1) Before 10th January, a statement of the value of each denomination of currency notes held by him on December 31st.
- (2) Before 10th April, a statement showing the balance at credit of each Government officer on 31st March who in his public capacity has a separate account. This should include the accounts, if any, of Military and Public Works officers. (Arts. 700 and 701.)

Q. 392.—What are the rules laid down for Government Officers who require to keep a banking account? Whose previous sanction is necessary to enable them to do so?

A.—The following are the rules for Government Officers who require to keep a banking account. Such accounts must be kept with a Presidency Bank or a Branch of a Presidency Bank or, where there is no such Bank, then with any other Bank; but in the latter case the money will be at the personal responsibility of the officer concerned, in the same way as if it were kept in his private custody:—

- I.—No officer of Government may have an account in his public capacity, with any bank without the previous sanction of the Accountant-General, Department of Public Works, if he is an officer of the Public Works Department; of the Controller, Military Accounts, if he is Military officer;

Of the Civil Accountant-General or Comptroller in other cases.

II.—The permission will be given in the following case:—

- (1) For the moneys and accounts of private or public institutions which are financially independent of Government, and for which Government is not

financially responsible, *e.g.*, dispensaries, grant-in-aid schools, regimental funds. ~

(2) For moneys raised by voluntary subscription for any public or quasi-public purpose.

(3) To Political officers for moneys in respect of which they have transactions with Native-chiefs; but not for moneys employed in the ordinary course of public service.

III.—The permission must not be given in the following cases :—

(1) Where the money lodged in the private account is drawn from the Government treasury for expenditure upon public account, or is received in order to be paid into the Government treasury, either as revenue or as deposit.

(2) Where the money forms part of a balance of an account submitted to the Account Department, or the receipts or outgoings are transactions of which the officer is bound to render an account to the Account Department.

(3) Where the money, by law or any order of Government or of a Court of Justice must be deposited with, or held in trust by, any officer of Government in his official capacity.

(4) Where the money is advanced for contingent expenditure, or under the rules of the Public Works Department, to civil officers for Public Works expenditure.

IV.—Other cases will be decided upon their merits, the principle to be observed being that no transaction of receipt or payment in which Government is concerned should occur otherwise than as a receipt or payment at a Government treasury, except upon some definite ground of convenience to the public service. The personal convenience of the officer

charged with the duty of making receipts or payments is not a ground for permitting an account to be opened with a bank. (Art. 703.)

Q. 393.—Name the officers who are exempted from the operation of the above rules.

A.—Private and Military Secretaries to Governors and Lieutenant-Governors are exempted from the above rule. Secretaries to Governments may sanction accounts in their own name, in an order of which a copy must be communicated to the Account Officer concerned, and which should state the nature of the moneys kept in the account.

The following officers are also exempted from these rules, *viz.* :—

Administrator-General, Official Trustee, Official Receiver, Sheriff, Account Officer, High Court, Original Side, and Government Solicitor, Madras. (Art. 703.)

CHAPTER 33.

MISCELLANEOUS.

Q. 394.—How are Basses and Minicoy Light dues levied and calculated and how are the realizations of these dues credited in the accounts? How are refunds of these dues made? And to whom should requisitions be made for forms for use in the collection of such dues?

A.—These dues are taken at a tonnage rate of three-eighths of a penny for basses lights and one-eighth of a penny for the minicoy light, subject to an abatement or discount of 25 per centum. Commission at 5 per cent. on the realisations is credited to Customs, and the balance to the London Account. When a refund of these dues is made, the collectors of the dues should show them in their statements of collections periodically sent to England, but, except, with the special authority of the Board of Trade, repayments

are not to be made without the production of the original receipts. One receipt for both dues in (Form L. V. 7) should be issued for each ship for the same voyage, and one entry, without distinguishing the Basses, from the Minicoy dues, should be made in the Account (Form L. V. 9). Requisitions for forms for use in the collection of the dues should in all cases be made to the Comptroller-General, who obtains the forms from England. (Art. 708.)

Q. 395.—What are the rules to be observed respecting Light Dues Forms by the officers entrusted with the collection of these revenues?

A.—The following rules respecting Light Dues Forms are to be observed by the officers who collect these dues in India:—

- (1) The stock of Light Dues Receipt Forms to be retained at each port or outport should not exceed the number required for issue during a period of eighteen months; but when one book of 25 forms is more than sufficient for that period, two such books should form the maximum stock to be retained.
- (2) When applications are made to the Accountant-General for fresh supplies of such forms, the numbers of the forms on hand at the time of application should be stated, and when applications are made by the Comptroller-General to the Board of Trade for supplies of forms for more than one province, the quantity required for each province should be stated separately.
- (3) Forms should be issued consecutively according to the printed numbers, the lower numbers being issued first, and not more than one book of 25 forms should be in use at the same time, if this can be avoided. Forms of an earlier series should, however, be used before those of a later.

- (4) Great care should be exercised in the preservation of these forms, and any forms cancelled or defaced, should, together with the corresponding counterparts, be attached to the accounts for transmission to the Board of Trade. The numbers of any forms lost or destroyed should be stated, with an explanation on the accounts. The numbers of the unused Light Dues Receipt Forms on hand should be quoted by Collectors and Sub-Collectors on each of their accounts for transmission to the Board of Trade. (Art. 709.)

Q. 396.—How are the wages of discharged seamen detained in hospitals or jails to be accounted for? When should credit be given in the London account for their wages?

A.—The wages of discharged seamen detained in hospital or in jail should continue to be held in deposit pending payment to them on their release. It is only when such seamen die in India, and their wages have to be accounted for to the Board of Trade, that credit should be given in the London account for their wages, or for the balance in hand at the time of their death. (Art. 711.)

Q. 397.—State the rules laid down in regard to emigrant's remittances?

A.—Indian Emigrants to Crown Colonies are allowed to remit their savings through Government Agency. The remittances of emigrants of the Fiji Isles are paid through the Government of India. In return for money lodged with the Colonial Treasurer, the emigrant receives a money order payable at the local treasury nearest to the residence of the payee, which he must forward at his own risk to the payee. The Colonial Government forwards two lists of advices to India, one to its Emigration Agent and the other to the Comptroller, India Treasuries, containing particulars of name, age, occupation, and full address of both payee and remitter. On receipt, the Agent will deposit at

the Bank of Bengal the total amount of the batch of remittances, and at the same time inform the Comptroller, India Treasuries, of the fact of his having done so. The Comptroller, India Treasuries, will then issue the advices to the Treasury officers concerned for payment of the money orders. The Treasury officers must see that the particulars given on each advice correspond with the statement of the payer, and that a stamped receipt is taken for all sums exceeding Rs. 20 on the order itself. No separate receipt is necessary.

The amounts when paid should be charged separately for each colony in the treasury account, and the Accountant-General of the province when debiting India will also show the amounts paid on account of emigrants' remittances for each colony separately. After the lapse of one year from the date of issue of advice, the Treasury officers will return the advices of all unpaid money orders to the Comptroller, India Treasuries, who will return the amount thereof to the Emigration Agents concerned for refund to the respective remitters.

In the case of the Colonial Government, Mauritius, which has a direct account with the Government of India, the payments will be made by Government from its own funds and charged to the colony. (Arts. 714 to 716.)

Q. 398.—How are Examination fees tendered, refunded?

A.—If the amount, or any part of it, is to be refunded, a certificate will be endorsed upon the original receipt by the Secretary to the Board of Examiners, specifying the amount to be refunded; and the amount so authorised will be paid on the presentation of the original receipt so endorsed, at the Treasury whence it was issued—the recipient giving his receipt below the endorsement. If the original amount was paid into a Presidency Bank, the refund will be made (in accordance with the above procedure) by the Accountant-General. (Arts. 718 and 719.)

